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Terrorist Activity

Reportage on Chechen-Held Avrasya Ferry in Turkey

Ferry Hijacker Sets Out Demands

LD1801110596

[FBIS Editorial Report] Moscow Russian Television Network in Russian at 0500 GMT on 18 January broadcasts the "Vesti" newscast and a two-minute recording of a message from one of the hostage-takers on board the Avrasya. The message, received by radio on 17 January, was played over archive of the ship and the leader of the hostage-takers:

"Our detachment is from Shamil's [as heard] battalion but make no mistake — this ship was not captured by Chechens, but by people from all over the Caucasus, the highlanders of the Caucasus. There are people of all Caucasian nationalities here. If our group [words indistinct] another group will tomorrow make the same gestures, carry out the same acts. This act is an act of revenge against Russia [words indistinct]. It will continue until Russia withdraws its troops from Chechnya and the Caucasus as a whole."

Tokcan Agrees To News Conference

LD1701201596 Moscow ITAR-TASS World Service in Russian 1927 GMT 17 Jan 96

[By ITAR-TASS correspondent Andrey Palariya]

[FBIS Translated Text] Ankara, 17 Jan (ITAR-TASS) — Muhammed Tokcan, the leader of the terrorists who captured the Avrasya in the Black Sea port of Trabzon together with its passengers, agreed to hold a news conference in Istanbul and leave the ship. ANATOLIA reported that he said this during a conversation via a portable radio transmitter with head of Turkey's National Intelligence Organization Sonmez Koksal, who gave an assurance that no actions will be taken against Tokcan. Asked if he would halt the action on arrival in Istanbul, the terrorist replied that he trusts the head of the National Intelligence Organization and is prepared to take such a step under the control of the latter.

At the present time the Avrasya is heading for Istanbul with 188 passengers on board. It is expected to arrive there the night of 18 January or the next morning.

Tokcan Repeats Threat; Expects Storming of Ferry

LD1701160796 Moscow ITAR-TASS World Service in Russian 1550 GMT 17 Jan 96

[FBIS Translated Excerpt] Ankara, 17 Jan (ITAR-TASS) — Muhammad Tokcan, the ringleader of the terrorist group that seized the Avrasya ferry with hostages at the Turkish port of Trabzon on Tuesday evening, told an ITAR-TASS correspondent that he expects the ship to be stormed in the immediate future. He made that statement in a telephone conversation with the ITAR-TASS correspondent from aboard the Avrasya just outside the port of Samsun. Because of poor weather conditions, the ship is heading for this Black Sea port but will subsequently sail to Istanbul.

Tokcan confirmed his intention to blow up the ferry in the Bosphorus unless the demands of his group are fulfilled. Among them are the cessation of military actions in Pervomayskoye, the release of 200 hostages, the independence of Chechnya and the North Caucasus. Russia will never defeat the Chechen people, he said, stating that Russia's war with that region had already effectively started. [passage omitted: known details]

'A Few Hostages' Said To Be Released

LD1701145896 Moscow ITAR-TASS World Service in Russian 1447 GMT 17 Jan 96

[FBIS Translated Text] Ankara, 17 Jan (ITAR-TASS) — The Chechen terrorists who seized the cruise liner Avrasya have just stated they are ready to release "a few hostages." According to Turkish Foreign Ministry spokesman, this proposal had been made on the telephone to the authorities. Further plans of the terrorists have not changed. They intend to reach Istanbul where they will meet journalists and "make a statement."

Two Russian Hostages Escape From Ferry

LD1701172696 Moscow NTV in Russian 1600 GMT 17 Jan 96

[From the "Segodnya" newscast]

[FBIS Translated Excerpt] The terrorists who seized the motor vessel Avrasya said that they are ready to release some hostages, most likely Turkish citizens, since the terrorists said earlier that they do not want to quarrel with Turkey. There are 100 Russian citizens aboard the vessel. To all appearances, they are people who make regular trips purchasing foodstuffs and products in Turkey. [Passage omitted: Ukrainians, Georgians, Kyrgyz, Turks and one Jordanian also on board]

After the motor vessel was seized in Trabzon two female Russian hostages managed to escape. You can see one of them on the screen now. She is in shock and can't say anything that makes sense.

[Woman, crying] I don't know. I don't know [words indistinct in exchange] They kept shouting "Allah! Allah! Allah!", nothing else!

[Passage omitted: correspondent says terrorists demand that Dudayev's fighters should be released from Pervomayskoye, threatening to blow the vessel up]

[Correspondent] One of the terrorists said we are not Chechens but our hearts are with the Chechens because we are from the Caucasus, just like them. Another terrorist said in Russian by telephone live on air to the Turkish television company: We have nothing to lose. We are doing this for the sake of Allah, for the sake of our Chechen brothers. [Passage omitted: Turkish authorities holding talks with terrorists all day]

Ferry Hostage Says Ship Mined

LD1701221696 Moscow NTV in Russian 2100 GMT 17 Jan 96

[FBIS Translated Exerpt] According to information agencies, there are 226 people aboard the ferry Avrasya, of whom 164 are Russian citizens. [Passage omitted: Terrorists are threatening to blow the vessel up unless 200 Chechens detained in Dagestan are released]

Our colleagues from the national news agency managed to get in touch with the hijacked motor vessel and speak to one of the terrorists. [Passage omitted: terrorist voices demands]

Then one of the women hostages aboard the ferry came to the telephone. That was Mariya Mashchentseva from Nevinnomyssk:

[Begin recording] [Mashchentseva] They say: Our demands are — withdraw the troops, withdraw the troops. They are in Kizlyar, they say, in the first instance. We will release you women. They are putting forward their demands. Incidentally, the ship is mined. Just so that you know that!

[Correspondent] So they have put explosives aboard the ship?

[Mashchentseva] A lot

[Correspondent] A lot of explosives?

[Mashchentseva] Yes. If they stop the carnage in Kizlyar, we will let you go right away.

[Correspondent] [?How soon] after the end of combat operations in Pervmayskoye?

[Mashchentseva] Yes. They say: We will let you go if they stop the fighting in Kizlyar. They aren't letting the men go anywhere. They are letting the women go into the cabins, but as for the men, nobody moves anywhere out of the canteen, of the hall.

[Correspondent] Tell us, are the majority of hostages inhabitants of the south of Russia?

[Mashchentseva] [?No] I would say [?from all over the place] but there are also a lot of people from the Caucasus. [end recording]

According to the latest information, the motor vessel with the hostages is heading for Istanbul where it is to arrive either on Thursday evening or Saturday morning. [Passage omitted: the leader of the terrorists is ready to hold a news conference there]

Turkish Attache Cited on Hostage-Takers

LD1801103096 Moscow Radio Rossii Network in Russian 0800 GMT 18 Jan 96

[FBIS Translated Text] According to the latest information, the Avrasya ferry seized by Chechen terrorists at the Turkish port of Trabzon will continue making its way toward Istanbul despite stormy weather. This is what Aleksandr Zinovyev, press attache of the Russian Embassy in Turkey, told us about it:

[Begin Zinovyev recording] Last night there were telephone negotiations between the leader of the Turkish national intelligence organization, Sonmez Koksal, and the leader of the group which seized the Russian ferry Avrasya, [Muhammed Tokcan]. Agreement was reached during the talks that the leaders of the group which seized the ferry will have an opportunity on their arrival in Istanbul today to set out their demands at a news conference which will be broadcast live to journalists.

It is expected that after the news conference, all the hostages, including Russian citizens, will be released. At this time the ferry is moving toward Istanbul. The situation is made more complex by the fact that there is still a strong storm in the Black Sea. In addition, two of the ferry's four engines have broken down. At the same time the lives of the people on board are not in danger because the ferry is constantly escorted by two Turkish coast guard ships and the situation is under control. We have no reports of deteriorating relations between the terrorists and the hostages or of the former intending to take tough measures against the people seized aboard the ship. Judging by the fact that weather conditions are not favorable and the ship cannot move fast, it is expected that it will arrive in Istanbul toward this evening. After this we will see what happens. This is Aleksandr Zinovyev, press attache at the Russian Embassy in Turkey. [end recording]

Fleet 'Task Force' Prepares Response

LD1701182796 Moscow INTERFAX in English 1658 GMT 17 Jan 96

[FBIS Transcribed Text] SEVASTOPOL, Jan 17 (INTERFAX) — A task force of Black Sea fleet ships is prepared to leave port in response to the capture of the Avrasya ferry in the Turkish seaport of Trabzon by gunmen. Sources in the fleet's headquarters told INTERFAX that the force includes the frigate Kerch, the hospital ship Yenisei and a minesweeper.

A Russian special police force unit might be on board one of the ships.

There are 241 people, in particular eight or nine Ukrainian citizens, on board Avrasya. The gunmen say they staged their action to protest against the war in Chechnya.

Sochi Makes Plans To Receive Ferry

LD1801125996 Moscow INTERFAX in English 1027 GMT 18 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 18 (INTERFAX) — The Sochi city administration has set up headquarters which have worked out a plan for receiving the Avrasya ferry, seized by gunmen in the Turkish port of Trabzon January 16.

First deputy head of the city administration Vladimir Sheyanov told INTERFAX Tuesday that these measures include checks on the passengers and searches for explosives.

Sheyanov expressed the hope that the terrorists would keep their promise to leave the Avrasya and free the hostages after a press conference in Istanbul.

He also said that additional security measures are being taken in Sochi. The security of the city's key important facilities has been enhanced and control over motor transport entering the city has been tightened.

On January 18 the headquarters would consider the possibility of closing the port of Sochi. He announced that one Russian ship with passengers on board left Sochi for Trabzon on January 17. On the same day a Kometa vessel with Russian passengers arrived in Sochi from Trabzon.

Chechen-Related 'Terrorist' Disarmed in W. Siberia

LD1701224196 Moscow Russian Television Network in Russian 2145 GMT 17 Jan 96

[From unscheduled "Vesti" newscast]

[FBIS Translated Text] When getting ready for this unscheduled newscast we thought that there would be no addition to the list of alarming events. However, we were mistaken. A correspondent from Surgut [western Siberia] has reported on a new incident. At 2000 Moscow time yesterday an unidentified terrorist seized a bus with 28 shift workers near the settlement of Ryabinovka, not far from Surgut.

The criminal, who was armed with a TTT pistol, was called Maksud and demanded an aircraft to fly to the area of Kizlyar. At 2200 hours the local special-purpose troops sub units began storming the bus. The terrorist has been disarmed, he is seriously wounded and has been taken to the hospital. Fortunately, the hostages did not suffer.

Russia's TV will carry a full report on this incident and other events during its newscasts tomorrow morning.

Further on Incident in Surgut

LD1801064796 Moscow ITAR-TASS in English 0629 GMT 18 JAN 96

[By Vladimir Zuikov]

[FBIS Transcribed Text] SURGUT January 18 (ITAR-TASS) — A lone terrorist, who seized a bus with a shift of 28 oil workers near the western Siberian town of Surgut and demanded to fly to the hostage drama site in Pervomayskoye, was killed in a commando assault and all hostages freed safely overnight. One, however, was slightly wounded, but there is no dnger to his life, authorities said.

Surgut police chief Vasiliy Khismatullin told Tass on Thursday that the bus with the oil workers of the "Bystrinskneft" company was returning to Surgut late on Wednesday when a hitchiker got in in the settlement of Ryabinovy.

The man then seized out a TT pistol and ordered to drive to the airport, where he demanded a plane to fly to the "area of combat activities in the Daghestani village of Pervomayskoye" where Russian forces are assaulting Chechen terrorists in a hostage-freeing operation. The terrorist said he would take six hostages with him.

As police cars approached the bus, the terrorist opened fire on them. Commandos then stormed the bus and the terrorist was mortally wounded and died in hospital.

The whole hostage drama lasted for two hours.

The terrorist has not been identified so far. According to several reports he called himself Maksud, however, police believe he was not from the North Caucasus and his action was spontaneous.

This is also proved by the fact that in the airport the terrorist initially demanded to fly him to Israel and then radically changed his mind for Pervomayskoye.

Surgut Bus Hijacker Identified

LD1801112596 Moscow ITAR-TASS in English 0800 GMT 18 Jan 96

[By Vladimir Zuikov]

[FBIS Transcribed Text] SURGUT, January 18 (ITAR-TASS) — The identity of the lone terrorist, who hijacked a bus with a shift of 28 oil workers near the western Siberian town of Surgut on Wednesday, has been delineated, a regional interior department spokesman told ITAR-TASS today.

The terrorist demanded to be flown with the hostages to the embattled Pervomayskoye village, but was mortally wounded in a commando assault which helped out the hostages.

Investigation ascertained that the terrorist, who died in the hospital, was Maksim Belozerov, 23, Russian.

He was born in the Kyrgyz capital Frunze, now Bishkek.

Belozerov has been recently employed as a forwarding agent of the small business Karat in the settlement of Ryabinovyy.

Earlier he had been under investigation on charges of robbery with violence.

Surgut's medical service reported to police that Belozerov had not been on files of patients with psychiatric disorders.

Security has been beefed up in the Tyumen region's airports, with closer inspection of the luggage.

Russian Energy Workers' Fate Still Unknown

LD1801090596 Moscow ITAR-TASS in English 0827 GMT 18 Jan 96

[By Nikolay Zagnoyko]

[FBIS Transcribed Text] GROZNYY January 18 (ITAR-TASS) — The whereabouts and the fate of 29 Russian energy workers, abducted near Groznyy on Tuesday, is still unknown and no ransom or political demands have been voiced so far.

The Chechen Interior ministry told TASS on Thursday that the workers had been seized by a group of masked gunmen.

However, "so far nobody has claimed responsibility for the action", a ministry spokesman said adding that the investigation of the kidnapping continues.

The workers arrived from the Russian towns of Volgodonsk and Rostov to work at the Groznyy heat-generating plant and were abducted on the next day after federal forces began to storm the Dagestani village of Pervomayskoye where Chechen terrorists held estimated 100 hostages.

Five of 37 Hostage Siberian Policemen Now Released

LD1801113596 Moscow INTERFAX in English 1049 GMT 18 Jan 96

[FBIS Transcribed Text] NOVOSIBIRSK, Jan 18 (INTERFAX-Eurasia) — According to the Novosibirsk regional interior department, five out of the 37 Novosibirsk policemen, taken hostage by gunmen led by Salman Raduyev at a check-point near the village of Pervomayskoye (Dagestan), are now at liberty, Governor of the Novosibirsk region Vitaliy Mukha told the local deputies.

He said that the authorities were ready to provide the relatives of the policemen still held in Pervomayskoye with means of transportation and money, so they would be able to travel to Dagestan. However, because of continuing combat operations in Pervomayskoye, none of the policemen's relatives has left for Dagestan so far.

Chechens Arrested Near Nuclear Power Station

MM1701170096 Moscow KOMSOMOLSKAYA PRAVDA in Russian 18 Jan 96 p 2

[Report by Valeriy Krivosheyev: "Chechen Terrorists Targeted Against Lipetsk?"]

[FBIS Translated Text] Lipetsk — Basayev's threat to organize nuclear terrorism in Russia seems not to have escaped the ears of the main special service. Recently in the region of the Novovoronezhskiy nuclear electric power station two Chechens with dubious documents found themselves in the hands of Federal Security Service staffers. This fact was announced at a press conference in the Federal Security Service directorate for Lipetsk Oblast as a warning of possible acts of terrorism and extremism by Dudayev's gunmen. Making public the news of the arrest of the suspicious men, Major General Varakin, chief of the Federal Security Service directorate, announced that the arrested men, in addition to brand new passports made out in their names, were found to have blank "hammer and sickle" passports. It emerged that the Caucasus men had been helped with the documents by a Lipetsk passport service chief.

Military Activity

More Pervomayskoye Assault Details Reported

MM1701182696 Moscow KOMSOMOLSKAYA PRAVDA in Russian 18 Jan 96 pp 1-2

[Report by Viktor Sokirko: "Elite Troops Turned into Punitive Battalion"]

[FBIS Translated Text] Dagestan — What is happening now in the village of Pervomayskoye, where fighting has been under way for three days between Raduyev's gunmen and the attacking federal troops can be guessed from the intensive shooting and the faces of the servicemen leaving the front line. "It is really terrible there," a soldier called Andrey, wounded in the leg during an attack, said quietly. But for the others the carnage is continuing — by the morning of 17 January the troops had managed to take only the Eastern part of the village. The army and special troops had driven the gunmen from the blockhouse where Novosibirsk policemen had been. Now the gunmen have taken up a defensive position in the school and mosque buildings and they control the village center and are frequently shifting from the defensive to counterattacks.

In the six days they spent in the village before the start of the storming the gunmen managed to establish a fortified position. They have dug full-depth trenches which link the houses and have prepared positions for mortars and grenade throwers. It is possible to destroy the Dudayev men only by a direct hit. "They are fighting with the desperation of condemned men, they realize there will be no mercy. Every house has to be taken by storm," said an officer from the Special Rapid Reaction Detachment who had lost four of his men.

In storming the village the attackers are often failing to join up and helicopters are often firing indiscriminately and their own men are falling under the fire. On the first day of the attack when "Alfa" went in, it was struck in precisely this way. The special troops managed to advance but the army subunits moving back called in helicopters and artillery fire for support. The "Alfa" men experienced the strike themselves. To all appearances the elite subunits suffered heavy losses. So far there is no precise information but it is a case of dozens of men killed.

The Special Rapid Reaction Detachment formations came to Pervomayskoye with assault ladders which are absolutely unsuitable in the village for storming single-story houses. "We entered this village with absolutely no idea of exactly what task we had to perform. Charging full speed ahead like a punitive battalion we cannot understand why the elite units are being used as cannon fodder" — this was the confession of a special forces serviceman trained to act under completely different, extreme conditions. "I have never seen such a mess before and you form the impression that someone has set up the whole show specially. Now there is no question of release [of the hostages], we are merely being driven forward for the complete destruction of the gunmen," I was told by another Special Rapid Reaction Detachment servicemen who had left Pervomayskoye with the wounded.

Indeed they do seem to have forgotten about the hostages. Those who managed to get out of the village and avoid the federal forces' fire are making their own way to the village of Sovetskoye. A filtering center has been set up there where the hostages are carefully checked and a search for gunmen made among them. "Don't bother me, you would do better to save the rest," a boy named Vladimir from Kizlyar shouted hysterically when they began to ask him about the situation in the village.

In theory in such an attack 30 percent of the hostages will die — 50 people are as it were doomed in advance. I do not want to make unpleasant predictions but that figure could be far greater. The density of the fire against the village leaves little chance of saving the captives, who are being forced by the gunmen to wave white flags above the trenches.

The number of losses on the servicemen's side is also mounting. So far no one can make up their mind to give precise figures and it is impossible to count all the dead and wounded now, while the fighting is under way. A representative of the command speaks merely of losses among the gunmen and cites a figure of 200 men. Then there should be only 50 Dudayev supporters left. Who then is firing so intensively?

Yesterday I managed to obtain a radio intercept of the gunmen's reports to their headquarters in Chechnya. Here it is decoded.

"I am reporting on events in the village of Pervomayskoye now. No one on the Russian side has held any talks. No one has given us any ultimatums. Here is the chronicle of events. At 0900 hours (this is 15 January — V.S.) massive shooting of our positions from cannon, tanks, mortars,, grenade throwers, armored transport vehicles, and helicopters. At 0915 we returned fire against an infantry advance. At 0920 the enemy infantry retreated and shelling continued. At 0930 our men fired from mortars. At 0950 the shelling continued. At 1005 there was massive shooting from helicopters and no enemy advance could be observed. At 1020 the shooting continued. At 1045 an infantry attack began. At 1100 the attack continued, everything was normal. At 1125 they had advanced to within 200 meters and consolidated their positions. Heavy fighting was under way. At 1210 they approached within 100 meters. There is a radio intercept of a conversation between the Dagestan and Russian internal affairs ministers. At 1220 the Russians break through and steps are taken. They have entered the village on one side. At 1227 everything is normal. At 1238 all is well, there is contact fighting. At 1258 they have entered into hand-to-hand fighting. At 1300 everything is normal, we are holding out, Allah is great. At 1310 the fighting is continuing. At 1322 fighting is under way in the village. At 1331 all the "Alfa" men have been taken out. At 1343 they have broken through the first line and hand-to-hand fighting is under way in the outlying houses, we are beating the dogs. At 1345 we took out two armored personnel carriers. In one place the Russians broke through the defense but they were destroyed. At 1405 we had thrown out all those who had gotten in. Allah is great. There are many bodies of soldiers and officers and many trophies. At 1410 the battle ended. We combed the village in search of special troops in hiding. At 1424 we combed the village. At 1449 we have prisoners. At 1500 everything is normal." Here the communication between Dudayev's men was broken off.

It is probably 17 January that our subunits will try to complete the storming of Pervomayskoye village. According to information from the federal troops staff, the special troops and the army servicemen have received the task of destroying the gunmen at any price.

Gunmen Reportedly Releasing All Dagestani Hostages

LD17012059 6 Moscow Radio Rossii Network in Russian 2000 GMT 17 Jan 96

[FBIS Translated Text] By 1900 Moscow time today 41 hostages had been brought out of the village of Pervomayskoye. Correspondents were told this by the headquarters in charge of liberating the village. The fate of the remaining hostages remains unknown. According to evidence from the released hostages, the terrorists are armed with antitank grenade launchers, large-caliber machine-guns and large quantities of munitions.

Movladi Udugov, the head of the press service of the Dudayev regime, said that fierce fighting continued in the village of Pervomayskoye during the evening. Federal forces have already fired 12 full salvoes at the village from Grad installations.

Udugov said that the Chechen militants a few hours ago took the decision to release all the hostages who are citizens of Dagestan, keeping as hostages only the members of the OMON [special purpose militia unit] from Novosibirsk.

According to Movladi Udugov the village of Pervomayskoye is being defended by over 250 of Raduyev's militants. About 60 men have gotten through the federal forces' cordon to come to their aid. These are Shamil Bassayev's men.

41 Released Hostages Leave Pervomayskoye

LD1701164496 Moscow ITAR-TASS World Service in Russian 1631 GMT 17 Jan 96

[By ITAR-TASS special correspondent]

[FBIS Translated Text] Near Pervomayskoye, 16 Jan [date as received] (ITAR-TASS) — As of 1900 Moscow time it proved possible to bring 41 hostages out of the Dagestani village of Pervomayskoye, which was seized by Salman Raduyev's fighters. An ITAR-TASS correspondent was told this by sources in the headquarters directing the operation to liberate the village.

Details Given on Pervomayskoye Hostage-Takers

LD1701191496 Moscow ITAR-TASS in English 1821 GMT 17 Jan 96

[By Mikhail Shevtsov]

[FBIS Transcribed Text] OUTSIDE PERVOMAYSKOYE, January 17 (ITAR- TASS) — As of 19:00 (16:00 GMT), Wednesday, 41 hostages had been freed by federal troops attacking Chechen terrorists holed up in the village of Pervomayskoye, the operation headquarters told ITAR-TASS.

The fate of dozens of other hostages remained unknown.

The headquarters cited released hostages and reconnaissance data as saying that the terrorists in the village fully obey all orders coming from the separatist leader, Dzhokhar Dudayev, and are ready to fight to the end.

The gang, led by Dudayev's son-in-law Salman Raduyev, includes his relatives Omar, Ali and Muirbek, and at least five women identified as the Akhmatov sisters, Abdurazakova, Lyuakhanova and Ashkhatova.

The gang also includes the so-called "slaves," i.e. military POW's and civilians of apparently Slavic origin who had been forced to join the group. The headquarters identified them as Panteleyev, Dashkov, Kozhevnikov, Bykov, Shvetsov, Kolupayev, Sapyolkin and Gavrylyuk.

The guerrillas are equipped with grenade launchers and big-calibre machine-guns with piles and piles of ammunition, the source said quoting a released hostage:

"They can hold on forever. They will not leave anyone alive. They will show mercy for neither themselves nor anyone else."

The headquarters said that on Wednesday the terrorists were addressed through loudspeakers in another vain attempt to persuade them to free some hostages, the Dagestanis, at least.

The command of the operation is taking all efforts to save human lives, the headquarters said stressing that it does not matter for how long the operation will last. What really matters is that casualties must be reduced to a minimum, it stressed.

Chechen 'Ministry' Cited on Clashes in Pervomayskoye

NC1701184596 Baku TURAN in English 1431 GMT 17 Jan 96

[FBIS Transcribed Text] Baku/17.01.96/ (TURAN)—Chechen's Ministry of Press and Information reports this morning village of Pervomayskoye in Dagestan remained under control of the Chechen commandos led by Salman Raduyev.

Chechen's Ministry reports January 16 Chechens put resistance to seven attacks of Russian special troops and "Alfa" group. The storm brigade of Russian troops has been let deep in the village, then was surrounded and destroyed. Scores of Russian soldiers are reported to be dead, injured and imprisoned. A great amount of special military ammunition is captured. One helicopters Mi-24, four tanks and BMP and eight BTR have been shot down. The Chechen side reports five commandos died and 11 were injured.

Chechen's media reports "due to shelling and bombardment some of hostages appeared to be under the fragments of destroyed houses. It is impossible to take steps to save them due to heavy shelling".

The same sources reports Dagestan's civilians dissatisfied with beginning of military activities in Pervomayskoye joined the battle against Russian troops.

One Chechen Group Breaks Pervomayskoye Siege

LD1801071296 Moscow ITAR-TASS in English 0532 GMT 18 Jan 96

[By Sergey Ostanin]

[FBIS Transcribed Text] MOSCOW January 18 (ITAR-TASS) — In Pervomayskoye village, the besieged Chechen militants, led by Salman Raduyev, continued attempts to break through the ring of encirclement last night. One of such attempts succeeded. At 02.30 Moscow time (23.30 GMT) on Thursday, a group of militants escaped from encirclement, firing on a Russian Interior Ministry troops' post. There were wounded among the servicemen.

According to Daghestani Interior Minsitry data, received by ITAR-TASS from Makhachkala by telephone, fighting on the approaches to Pervomayskoye went on throughout the night. Federal forces conducted harassing small arms fire on the terrorists' positions. The republican Ministry pointed out that individual groups of Chechen militants from nearby villages tried to come to the aid of those besieged in Pervomayskoye.

Militants' Attempted Breakout in Pervomayskoye Foiled

LD1801091196 Moscow ITAR-TASS in English 0843 GMT 18 Jan 96

[By Olga Semenova]

[FBIS Transcribed Text] MOSCOW, January 18 (ITAR-TASS) — The total number of hostages freed in Pervomayskoye had reached 42 by 9 a.m. on Thursday. There is still no trustworthy information on the fate of the Novosibirsk policemen, captured by terrorists at a Pervomayskoye checkpoint on January 9th, ITAR-TASS was told by Assistant Chief of the Public Relations Centre of the Federal Security Service (FSB) Boris Kostenko.

Commenting on the attempt of Chechen terrorists to break out of the encirclement last night, Kostenko said: the main thing is that the federal troops were able to prevent Raduyev's gangsters from breaking out and achieving a link-up. It is pertinent to describe the conditions in which the night battle proceeded: a moist snow was falling and it was pitch dark," he noted. "An encirclement, no matter how dense it is, is by no means a living circle around the besieged," he added.

Kostenko noted that individual terrorists could have slipped out of the encirclement under cover of darkness and due to poor visibility. However, the federal troops and special-purpose units were able to prevent a breakthrough from Pervomayskoye and beat off external reinforcements.

According to information released by the Dagestan Interior Ministry, about three hundred Dudayev's men came to the assistance of Raduyev's terrorists from Chechen territory last night. This information was given to ITAR-TASS in Makhachkala by the republic's Deputy Interior Minister Gennadiy Shpigun. Dudayev's men crossed the Dagestani border and entered the village of Sovetskoye, from which they tried to pierce the external ring of the encirclement.

In the course of the battle, Shpigun stated, Dudayev's rescue force, which came to Raduyev's assistance, was scattered by federal troops and began to retreat into Chechen territory. Most of them were killed on the border. About twenty men, cut off from the main Chechen group, returned to the village of Sovetskoye. They are now being hunted down.

"Two servicemen of the Dagestani special police were killed and two others wounded during the night battle with Dudayev's gunmen, who attacked the external ring of the encirclement. The wounded men include Deputy Chief of the Babayurt Police Department Chatayev," Shpigun stated.

Artillery Ceased Pounding Pervomayskoye Overnight

LD1801074496 Moscow ITAR-TASS in English 0731 GMT 18 Jan 96

[FBIS Transcribed Text] MOSCOW, January 18 (ITAR-TASS) — The missile artillery of federal forces stopped pounding the Chechen terrorists near Pervomayskoye at nightfall Wednesday, Federal Security Service (FSB) spokesman Aleksandr Zdanovich told ITAR-TASS.

He said federal troops would not fight at nighttime, to make sure that shells go only to where the reconnaissance said terrorists hole up. However, to thwart the likely bid by the Raduyev-led group to escape in the dark, the troops have built up around Pervomayskoye, the FSB spokesman said.

He said the operation to wipe out the guerrillas would be continued in early hours of Thursday.

Zdanovich confirmed an earlier report that a total of 42 hostages had been bailed out from the embattled village by midnight Wednesday. He also said investigators were questioning the two Russian servicemen who had been going with the Raduyev gang.

The FSB spokesman called the lie the claims by Chechen rebels that federal forces suffered heavy losses near Pervomayskoye.

He said only the military medical service deployed near the village had exact figures of casulaties.

Resident Says Pervomayskoye Looks Dead After Bombings

LD1701195796 Moscow ITAR-TASS World Service in Russian 1840 GMT 17 Jan 96

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Translated Text] Aksay (Dagestan), 17 Jan (ITAR-TASS) — After bombardments by Grad multiple launch rocket systems on the pro-Dudayev rebels in the village of Pervomayskoye today, an old man got out of the village and said that at dusk he could see nobody alive there. An ITAR-TASS correspondent has been told this by representatives of the Dagestan Health Ministry who have spoken to the man.

The last Grad salvo sounded at 2015 Moscow time.

The old man told doctors that at about 1830 he could hear a machine-gun sequence in the western part of the village, near the cemetery. By 1900 shooting from small arms had abated. On the way out he could see that the mosque was smoking. Since everything went quiet in and around the village, doctors reached the conclusion that the combat operation in Pervomayskoye was probably over.

Earlier, at the headquarters in charge of the operation, ITAR-TASS was told that in all 41 hostages had been rescued from the village. It looks as if the old man is the 42d to escape that hell.

Ambulances are continuing to be in attendance in the vicinity of the villages of Sovetskoye and Terechnoye. Altogether there are more than 10 of them. During the entire day not a single wounded person arrived in the hospital, which is in Aksay. A field hospital of the "Defense" All-Russian Disaster Medicine Centre has been deployed in the hospital. It was expected that the wounded hostages from Pervomayskoye would be taken there.

In the evening, two convoys of military vehicles with the insignia of the interior troops — mainly armored personnel carriers, communications vehicles and also vehicles carrying personnel — were moving along the Kizlyar-Khasavyurt road towards Pervomayskoye. In the first convoy there were 10 vehicles and 8 in the second.

Today it was impossible for journalists to get through to the immediate vicinity of Pervomayskoye. They were not allowed any further than the crossroads near the turning towards the village of Terechnoye and Sovetskoye. Only servicemen and local people registered in the villages of Terechnoye and Sovetskoye were allowed through.

Dagestan Unhappy With Pervomaymaskoye Operation

LD1801111796 Moscow Radio Rossii Network in Russian 1000 GMT 18 Jan 96

[FBIS Translated Text] Gadzhi Aripov, head of the press center of the State Council and the Government of the Republic of Dagestan, told us on the telephone about the current situation in Pervomayskoye:

[Begin Aripov recording] The situation in the area of Pervomayskoye and in the nearby population centers has become more complex.

At about 0130 this morning, two groups of fighters broke through from the direction of the village of Azamat-Yurt in the Chechen republic to help the Salman Raduyev detachment. There were about 200 to 300 of them. Raduyev, with a group of about 70 bandits, tried to break out of Pervomayskoye to meet them half way. The efforts of these two detachments to unite and to create a corridor to break through into the Chechen republic was thwarted. The Raduyev detachment was rebuffed toward Pervomayskoye.

The Dagestani militia men were the first to bear the brunt of the battle with the fighters who had broken through from Chechnya. There are losses among them. Overnight, four militiamen were killed and two were injured.

The public in the republic believe that the power structures of Russia have been ignoring the collective opinion of the supreme legislative and executive organizations of Dagestan. An address adopted at a joint session of the State Council, the parliament, and the government of the republic warns that the action aimed at eliminating the terrorists without having first released the hostages, which the federal power structures are insisting on, may lead to many civilian casualties. The leadership of the Dagestani republic believes this outcome will lead to a sharp deterioration in the situation both in Dagestan and in the whole of North Caucasus. The address contains a warning and asks [the Russian authorities] a serious favor: In order to prevent Dagestan's involvement in the military conflict and to stabilize the situation in the south of Russia, the Russian Government must adopt the necessary measures.

Unfortunately, the situation has been very complex for the last few days. Information about the detachments which broke through was received from the headquarters of the republic's Security Ministry.

'Only Top People' Truely Informed on Pervomayskoye

MM1801103496 Moscow IZVESTIYA in Russian 18 Jan 96 p 2

[Report by Yuriy Senatorov: "Comrades Learn Second-Hand of Death of Special Detachment Commander Krestyaninov"]

[FBIS Translated Excerpt] Militia Lieutenant Colonel Andrey Vladimirovich Krestyaninov, chief of the Russian Federation MVD [Ministry of Internal Affairs] Special Rapid Reaction Detachment, was seriously wounded by a shot in the neck while storming the village of Pervomayskoye and died at 1100 the next day in the "Severnyy" Hospital near Groznyy.

The 36-man composite rapid reaction detachment group commanded by A. Krestyaninov flew into Mozdok 9 January, and was airlifted to Pervomayskoye by helicopter 10 January. Its main task together with the other special subdivisions was to free the hostages. According to Viktor Mospanov, deputy chief of the Special Rapid Reaction Detachment, he learned the news of his chief's death at second-hand from media reports, because, by the decision of Federal Security Service [FSB] Director Mikhail Barsukov, all accurate information is being sent only to the top people in the state. Everyone else, including the mass media and the leadership of the special subdivisions, have been deprived, as a result of Barsukov's arbitrary decision, of any ability to know what is actually happening at Pervomayskoye. [Passage omitted]

The coffin containing Andrey Krestyaninov's body has currently been sent to Rostov and will then be taken to the Special Rapid Reaction Detachment base in Moscow. Lt. Col. Krestyaninov leaves a wife and three children — two girls and a boy.

Unfortunately, the special subdivision men have been forced to charter aircraft out of their own pocket to ship their dead and wounded comrades out. In particular, Anatoliy Ryabinkov, commander of an oblast Special Rapid Reaction Detachment, was seriously wounded in Pervomayskoye, and the men used their own money to send him to the hospital.

Russian Soldiers Wounded in Attack From Sovetskoye

LD1801070796 Moscow ITAR-TASS in English 0532 GMT 18 Jan 96

[By Mikhail Shevtsov]

[FBIS Transcribed Text] Outside Pervomayskoye, Dagestan, January 18 (ITAR-TASS) — A group of Chechen militants fired on a Federal troops' post from the rear in the area of Sovetskoye village at about 01.00 Moscow time (22.00 GMT) on Thursday. The militants fired from submachine-guns and grenade launchers.

There were wounded among Russian servicemen. Three of them — two policemen and Lieutenant Colonel Anatoliy Bezlepkin from the Moscow-based SOBR anti-terrorist unit — went to hospital of the All-Russia Disaster Medicine Centre in the area of Aksay village.

According to the wounded, there were more than ten attackers. The servicemen believe that the gunmen were not from among those who had been in Pervomayskoye.

Sovetskoye village is situated several kilometres from Pervomayskoye, where a troop operation is being continued with a view to smashing the gang led by Salman Raduyev.

Political Reaction

Yeltsin: 'Extreme Concern' Expressed Over Avrasya Ferry

LD1801113796 Moscow ITAR-TASS World Service in Russian 1038 GMT 18 Jan 96

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 18 Jan (ITAR-TASS) — During his meeting with Foreign Minister Yevgeniy Primakov today Russian President Boris Yeltsin "expressed his extreme concern about the situation with the Avrasya ferry, its passengers and crew seized by terrorists," Sergey Medvedev, the head of state's press secretary told ITAR-TASS.

Medvedev said that "the head of state demanded that together with the special services the Foreign Ministry should give efficient assistance to the Turkish side in freeing the hostages and stopping the activities of the terrorists."

Yeltsin 'Keeping an Eye' on Situation

LD1701182296 Moscow INTERFAX in English 1628 GMT 17 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 17 (INTERFAX) — President Yeltsin is himself keeping an eye on the plight of hostages taken by a group loyal to Dzhokhar Dudayev (the Chechen separatist leader) in Trabzon, Turkey, on Tuesday [16 January] evening, presidential foreign policy aide Dmitriy Rurikov has said.

"The latest events merely confirm the comments we made on the Dudayev regime more than a year ago," Rurikov said.

The hostage-takers say they planned to force Russian federal troops to leave Chechnya, lift the blockade imposed on Salman Raduyev's gang, which had taken hostages in Kizlyar, and guarantee its unhampered return to Chechnya.

Chernomyrdin Voices Concern to Turkey

LD1701180796 Moscow ITAR-TASS World Service in Russian 1724 GMT 17 Jan 96

[FBIS Translated Text] Moscow, 17 Jan (ITAR-TASS) — Viktor Chernomyrdin, head of the Russian government, in a telegram to Tansu Ciller, Prime Minister of Turkey, today expressed concern about the seizure by terrorists on 16 January 1996 in the port of the Turkish town of Trabzon of the passengers and crew of the Avrasya sea ferry and noted that "this inhuman act has caused indignation among all the people of Russia."

Viktor Chernomyrdin also said that "the Russian side is prepared to take the necessary measures for the participation of representatives of competent Russian bodies in freeing the hostages."

Russian Foreign Ministry Issues Statement

LD1701181296 Moscow INTERFAX in English 1659 GMT 17 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 17 (INTERFAX) — Russia has repeatedly informed Turkey of dangerous anti-Russian activities by extremists from the Chechen diaspora and Dudayev emissaries on Turkish territory, says a statement of a Russian Foreign Ministry representative received by INTERFAX Wednesday.

"These very activities resulted in the seizure of the Avrasya ship and its passengers by a group of armed terrorists on January 16 in the Turkish port of Trabzon," says the statement.

In fact, "it is a large-scale act of international terrorism, because the Chechen terrorists took hostage citizens of Russia, Ukraine, Georgia, Kyrgyzstan, Jordan and Turkey," it notes.

"No matter what are the declared reasons for this bandit action, it should be clearly evaluated and counteracted with immediate well-coordinated measures to free the innocent people," stresses the Foreign Ministry representative.

"The Turkish charge d'affaires was invited to the Russian Foreign Ministry early this morning to listen to the Russian attitude to the incident. The Turkish side informed us it is doing its best to localize the incident and free the hostages," he said.

The Russian Foreign Ministry and other Russian departments "are working in contact with Turkey to counteract the terrorists and free the hostages."

"Interaction with the Turkish side is being done via the Russian embassy in Ankara, and the Russian Consulates General in Trabzon and Istanbul," said the ministry representative.

Kulikov Appeals to Turkish Counterpart

LD1701163096 Moscow ITAR-TASS in English 1609 GMT 17 Jan 96

[By Larisa Kislinskaya]

[FBIS Transcribed Text] MOSCOW, January 17 (ITAR-TASS) — Russian Interior Minister Anatoliy Kulikov sent a message to his Turkish counterpart Teoman Unusan asking him to take all necessary measures to save the lives and ensure the safety of the Russian citizens aboard the ferry Avrasya.

Avrasya was seized by gunmen in the Turkish port of Trabzon on Tuesday evening. The terrorists demanded from Russia to stop fighting Chechen rebels in the Dagestani village of Pervomayskoye.

Moscow 'Has No Grudge' Against Turkey

LD1701193396 Moscow INTERFAX in English 1802 GMT 17 Jan 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Jan 17 (INTERFAX) — The Russian Foreign Ministry instructed Russian missions abroad to take additional security measures in the wake of a hostage-taking attack on the passenger ship Avrasya in the Turkish seaport of Trabzon by Chechen gunmen, Deputy Foreign Minister Albert Chernyshev told INTERFAX Wednesday.

"When such incidents happen, Moscow sends out such instructions automatically," he explained.

In this case, more attention will be paid to countries where the same forces can carry out similar terrorist acts, Chernyshev said.

Russia now "has no grudge against the Turkish side" about the incident, Chernyshev added.

"We are now normally interacting and our purposes regarding the incident's localization coincide," Chernyshev said. The atmosphere for interaction is favorable, he added.

At the same time, Chernyshev made it clear that Moscow's further position will depend to a certain degree on how the hostage-taking ends. There are many Russian citizens on the Avrasya.

Chernyshev recalled that Russia had repeatedly warned Turkey of intensified Chechen activities and the appearance of Dudayev's emissaries there.

"The present incident in Trabzon is evidence that the activity of these forces has risen and deserves more attention," he added.

Moscow does not intend to introduce "direct restrictions" on Russian residents' entrance to Turkey, Chernyshev said.

"We see no necessity for this but we believe that our compatriots staying in Turkey should be on the alert and should be reasonably prudent," Chernyshev said.

Dudayev Link to Ferry Hijacking Denied

LD1801101796 Moscow ITAR-TASS in English 0952 GMT 18 Jan 96

[By Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, January 18 (ITAR-TASS) — Chechen "information minister" Movladi Udugov bluntly denied involvement of separatist leader Dzhokhar Dudayev or anyone of his entourage in the hijacking of the Avrasya ferry.

He told ITAR-TASS by the phone today that "organisers and performers of this action appeared to act on their own initiative".

Udugov eluded to air his attitude towards the hostage-taking attack on Avrasya, saying that he lacked credible information.

Chernomyrdin: No Hostages Remain in Pervomayskoye

LD1801113296 Moscow ITAR-TASS in English 1120 GMT 18 Jan 96

[By Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, January 18 (ITAR-TASS) — "There were no hostages in Pervomayskoye village any longer, according to data as of Wednesday evening," Russian Prime Minister Viktor Chernomyrdin told a press conference here on Thursday.

Chernomyrdin referred to data provided by commanding officers who are in charge of the operation to free Pervomayskoye village from terrorists.

The overall verified number of freed hostages is 42 people as of Thursday morning, the Premier emphasised.

West Expresses 'Disquiet' Over Hostage-Taking Response

AU1701191596 Paris AFP in English 1810 GMT 17 Jan 96

[FBIS Transcribed Text] Jan 17 (AFP) — Growing disquiet was expressed in western capitals Wednesday [17 January] over Russia's use of military force against Chechen separatists and over the hostage-taking by the rebels.

Denmark's defence minister strongly condemned Moscow's military action in a newspaper interview, while Germany, Ukraine and the United States called on Moscow to exercise restraint.

In Geneva the International Committee of the Red Cross (ICRC) called on Russia to declare a humanitarian truce.

Danish Defence Minister Hans Haekkerup denounced Moscow's "violent manner" of response to the hostage crisis, describing its methods as "unacceptable."

He told the DET FRIE AKTUELT daily that the Russian assault on the rebels would "result in a large number of innocent civilian casualties."

Russia "is violating the rules one after the other in its method of liberating the hostages. It is quite unacceptable," he said, calling for international pressure to be brought on Moscow.

German Foreign Ministry spokesman Martin Erdmann denounced the "terrorist methods" adopted by the Chechen separatists, but urged Moscow to refrain from actions that were disproportionate to the events taking place.

He called on both sides to negotiate under the aegis of the Organisation for Security and Cooperation in Europe, stressing that the Chechen conflict "touched on international interests."

Germany's Social Democratic opposition however slammed the government's reticence over Moscow's military action and denounced what it called the "lack of principle and cynicism" of western powers.

Spokesman Guenther Verheugen charged that German diplomacy towards Russia was too strongly focused on preserving the position of President Boris Yeltsin.

The Ukrainian Parliament and Government expressed concern over the hostage-taking and called for the hostages to be released "by peaceful means."

The parliament passed a resolution calling on "Turkey, the Russian Federation and those concerned in the Chechen republic" to secure a "peaceful solution to the problem."

Ukrainian Foreign Minister Gennady Udovenko called on the Russian authorities to "do everything possible to avoid a bloodbath."

Former Soviet President Mikhail Gorbachev described as "inadmissible" both the hostage-taking and Russian policy in Chechnya.

Warning Chechen rebel leader Dzhokhar Dudayev that by terrorism "he will only bring misfortune on the Chechen people," he at the same time urged the Russian authorities to "realise the inadmissible nature of their policy in Chechnya.... Terrorism must be fought as a crime, but negotiations are the only means to prevent terrorism."

The ICRC in Geneva said it had received no response to its call Tuesday for a truce of a few hours to be declared at Pervomayskoye, in the Russian republic of Dagestan.

Ten ICRC delegates, including a doctor, were standing by near Pervomayskoye help the casualties, but has so far been unable to do more than distribute food and blankets to villagers able to flee the fighting.

On Tuesday the White House said it was to have high-level contacts with Moscow soon on the hostage-taking, which it called "a tactic of terror."

A spokesman said Washington was "troubled and concerned about the use of force" by both sides and expressed disquiet that "the use of military force has allowed the situation to escalate and has diminished the possibility of a peaceful resolution."

Dagestan Denies Hearing From Raduyev on Hostages

LD1801103796 Moscow ITAR-TASS World Service in Russian 0957 GMT 18 Jan 96

[By ITAR-TASS correspondent Boris Kipkeyev]

[FBIS Translated Text] Moscow, 18 Jan (ITAR-TASS) — The ITAR-TASS correspondent today asked the Dagestan State Council to comment on a statement by a spokesman for Dudayev's headquarters that Salman Raduyev had allegedly told the leaders of Dagestan that the Russian military were not letting hostages out of the Dagestani village, ITAR-TASS correspondent in Groznyy Sharip Asuyev reported today.

An official spokesman from the State Council administration said that the leaders of Dagestan had not received any reports from Raduyev. The leaders of the Republic of Dagestan, the spokesman said, consider this statement by Dudayev's men to be "the latest provocation."

Zyuganov Claims Dagestan 'Ignored' Terrorism Warning

BR1801123396 Rome LA REPUBBLICA in Italian 18 Jan 96 p 8

[Interview with Gennadiy Zyuganov, Communist Party of the Russian Federation leader, by Ennio Franceschini in Moscow on 17 January: "Yeltsin To Blame for This Disaster"; first paragraph is LA REPUBBLICA introduction]

[FBIS Translated Text] Moscow — In December he won a major victory in the parliamentary elections.

Yesterday he won the election for the speaker of the Duma. In five months he hopes to win the Russian presidency. But Gennadiy Zyuganov, leader of the Communist Party of the Russian Federation, has not become over-confident. He wore a calm smile as he strolled through the corridors of the parliament building. He explained what needs to be done in Chechnya.

[Franceschini] Gennadiy Andreyevich, if you were president, what would you do to halt the tide of kidnappings disrupting Russia?

[Zyuganov] Let me make this point first: Even if a government possesses the means for combating terrorism, we must admit that it has become very difficult to combat it. But in Russia now it is even more difficult, because the forces that have taken power committed themselves to destroying the antiterrorist structures and are unable to recreate them. I think that we will not make this mistake, at least.

[Franceschini] Is it still possible to halt the conflict in Chechnya?

[Zyuganov] We Communists presented a package of proposals some time ago. First, there needs to be effective coordination between the officials charged with resolving the problem, who have hitherto acted each on his own account. For instance, the secret services reported that a terrorist action was being planned in Dagestan, but everybody ignored that intelligence. Second, it would be possible, and it is necessary, to block the clandestine supplies of weapons which reach the Chechen terrorists from other countries. Third, authoritative leaders could have been sent to the Russian Caucasus, which is ethnically close to the Chechens, to negotiate with the rebels. Fourth, since the war has already taken place and there can be no turning back, a major program of reconstruction could have been launched in Chechnya. The Chechens would have set to work constructing homes, instead of shooting. But all these matters should be tackled in earnest, and I see no desire to do so on the part of the present leadership.

[Franceschini] Why was the KGB able to monitor and repress every tiny aspect of Soviet life, whereas now it is unable to do anything against terrorism?

[Zyuganov] Within the KGB there were two interconnected departments — one to combat organized crime, banditry, and terrorism, and the other comprising groups of investigating magistrates who knew how to conduct inquiries into these circles. At one time big criminals were indeed identified and punished. Not now. I asked some of those judges, why not? They told me: "The new government has humiliated and divided us; it has set us one against the other; and now, all of a sudden, it expects us to do our job properly again."

[Franceschini] How is it possible that the Rambos of the former KGB were unable to conquer a village held by 200 guerrillas?

[Zyuganov] You are referring to the KGB's famous Alfa group. But not everyone remembers that the Alfa group was dissolved in 1993, by a punitive measure, because it refused to obey Yeltsin's order to attack the legitimate Russian parliament. After that they tried to reestablish it, with the results that we can now see.

[Franceschini] Do you think that the resignation of Deputy Prime Minister Chubays, author of the privatizations, will lead to a change in economic policy?

[Zyuganov] When the team changes, the game changes too. If the trainer replaces three poor players with three good ones, the game improves. But we will not join this team, as long as the present championship is in progress. We will play in the next one, with our own team.

[Franceschini] Will you be the Communist candidate to the presidency?

[Zyuganov] In two weeks' time we will be meeting with the leaders of various parties and will jointly choose the best possible candidate. Moreover, I think that the presidential candidate must present his team to the voters right away and say who will be prime minister, who will be his deputy, who will fill the key posts. Thus voters will be able to form a concrete assessment of his program. The Communists, with their closest allies, gained 20 million votes in the December general election. In order to win the presidential elections we need 30 million votes. To gain those 10 million additional votes we must form alliances with many forces, including those whose votes come not from our traditional area but from adjacent areas. We are pursuing this task very, very seriously.

Islamabad Denies Pakistani Mercenaries in Dagestan

LD1801120796 Moscow ITAR-TASS in English 1135 GMT 18 Jan 96

[By Yuriy Kozmin]

[FBIS Transcribed Text] NEW DELHI, January 18 (ITAR-TASS) — Pakistan has officially denied assertions that Pakistani mercenaries are fighting in Dagestan alongside Chechen militants.

A Pakistani Foreign Ministry statement, circulated in Islamabad on Thursday, said "there is conclusive evidence of the presence of Pakistani citizens among terrorists".

The statement points out that Islamabad "strives to establish close relations with Russia and hopes for a peaceful settlement of the crisis in Chechnya".

"Russia knows well this position of ours, as well as the fact that we shall not allow activities which may be viewed as an interference in the internal affairs of another state," said the statement which was issued in response to information that among the terrorists, who seized hostages in the Dagestani village of Pervomayskoye, there are also Pakistani and Iranian mercenaries who have gained a wide experience in the conduct of active combat operations against regular army units.

Mikhaylov Answers Deputies' Questions on Chechnya

MM1801103696 Moscow TRUD in Russian
18 Jan 96 p 1

[Report by Nikolay Dorofeyev: "Duma: the Caucasus Theme"]

[FBIS Translated Text] The State Duma deputies did not want to remain aloof from the events in Checnya and the Dagestan village of Pervomayskoye. I think that the deputies' obvious desire to discuss these issues was caused by the natural wish to learn what is actually happening there. No serious information could be provided for them on this score even by V. Ilyukhin, former chairman of the Duma security committee. His appeals to the power structures led nowhere. Rightly supposing that information from these trouble spots was contradictory and possibly not always reliable, the parliamentarians demanded that the Security Council secretary and the heads of the power departments be summoned to the Duma. But it emerged that only Vyacheslav Mikhaylov, minister for Nationalities Affairs and Regional Policy was able to address the deputies.

The federal forces will continue military operations against specific bandit formations in Chechnya, the minister told the deputies. he said that strong-arm methods of fighting Dudayev's supporters will be used in close conjunction with the development of the peaceful political process for settling the crisis in Chechnya. V. Mikhaylov also stated that as a result of talks no fewer than 10,000 supporters of Dudayev, including many gunmen, had left him. According to the minister another achievement of the negotiations process is the not unimportant fact that the image of Russia as their enemy — an image created by Dudayev — is being destroyed before the eyes of the Chechens and the representatives of other peoples of the Caucasus.

The "collapse of Dudayev's policy" is also borne out by the successful elections in Chechnya, Vyacheslav Mikhaylov believes. The minister expressed himself in favor of developing a federal targeted program for nationalities policy in the North Caucasus which in his opinion so far is nonexistent....

The minister's speaker as usual generated a lively debate among the parliamentarians. Duma Deputy I. Suleymenov, former Chechnya military commandant, was even obliged to suggest to the deputies that they "restrain their emotions" and only when they had received exhaustive information from the relevant ministries and departments should they decide what to do, restricting themselves for the time being to a statement....

Lobov, Zavgayev on Change of Strategy in Chechnya

LD1701112696 Moscow Radio Rossii Network
in Russian 0800 GMT 17 Jan 96

[FBIS Translated Text] In Groznyy on Tuesday [16 January], the secretary of the Security Council and a plenipotentiary envoy of the Russian president in Chechnya, and the head of the Chechen republic, Doku Zavgayev, told journalists about the continuation of the internal Chechen dialogue. Here is a report by our special correspondent in Groznyy, Andrey Veduta.

[Veduta] Despite the whole complexity of the situation, the internal Chechen dialogue must develop and expand, Oleg Lobov, Security Council secretary and the president's envoy in Chechnya, said. The main direction must now be contacts with nonextremist people.

Lobov also said that Maskhadov sometimes shows common sense and agrees with the possibility of including Doku Zavgayev in the negotiating process, something which he earlier used to reject. According to Zavgayev, the head of the Chechen republic, the tragedy in Kizlyar and Pervomayskoye outraged and shocked both the Chechen and Dagestani peoples. However, our aim of a peaceful settlement of the crisis remains unchanged, he said. Doku Zavgayev said that the Chechen government has changed its strategy of conducting talks and is now working mainly with the relatives of members of illegal armed formations, using the influence of local elders. Zavgayev is certain that the way out of the Chechen crisis lies in peace alone. That is why he will be making wide use of the considerable powers given to him by the president to carry out a rehabilitation process among the members of the illegal armed formations.

Chechen 'Parliament' Deputy Comments on Conflict

NC1701182596 Baku TURAN in English 1515 GMT Jan 17 96

[All names as received]

[FBIS Transcribed Text] Baku /17.01.96/ (TURAN)—A press-conference of Ahmed Malsagov, deputy of Chechen parliament took place today in the editorial office of AZADLIG newspaper. Speaking about the events in Pervomayskoye village Malsagov said that the information of the Russian media about shell of hostages by commandos of Raduyev was not right and was used for the purpose to approve bombing and use of "Grad" plant against the Chechens. "The Russian troops have not opportunity to win fightings that is why they want to destroy the Chechens and use "Grad" in order to eliminate the traces of the criminal in respect of hostages," Malsagov said. He said that the events in Pervomayskoye caused indignation of the population of Daghestan with policy of Moscow in the Caucasus.

Responding the question if the Chechens have enough forces to continue war against Russia Malsagov said that the Chechens have enough military and moral forces to resist aggression of Russia. "Our actions are the response to terrorism which is carried out by Russia against the Chechens," deputy said. According to him, such policy is conducted by supporters of Moscow which are not the Chechens. Thus, Salambek Hajiyev was the Avar by nationality, and the present leader of Chechnya Doku Zavgayev is of Nogai nationality.

Answering the question on possibility of function of oil pipeline from shipment of oil from Baku to Novorossiysk Malsagov said that "if this question is not agreed with leadership of Chechnya the pipeline will not function."

Speaking about capture of motor ship "Eurasia" in Trabzon Malsagov said that there is a seven million diaspora of Caucasian people in Turkey which "take their revenge."

CIS Summit To Focus on Economy, Area Conflict, Terrorism

LD1701202696 Moscow INTERFAX in English 1927 GMT 17 Jan 96

[FBIS Transcribed Text] [no dateline as received] A CIS summit in Moscow on January 19, 1996, will focus on economic issues, settlement of regional conflicts and anti-terrorism measures, CIS Executive Secretary Ivan Korotchenya told a news conference in Moscow today.

He said the prolonged mandate of the peace-keeping troops in Tajikistan and Russian peace-keepers helping Georgian-Abkhazian settlement will be another major item on the summit agenda.

In Korotchenya's opinion, the state leaders will discuss possible ways to end these conflicts.

Asked about terrorist acts by Chechen militants in Kizlyar, Pervomayskoye and Groznyy, Korotchenya said "this is another likely item on the summit agenda." He did not specify the form of this discussion.

Commenting on Tuesday's pronouncement by Ukrainian President Leonid Kuchma that Kiev will support Boris Yeltsin in his new term in the post of head of the CIS Council of State Leaders, Korotchenya said he so far unaware of the opinion of other CIS leaders.

He thinks that the candidature of the council leader will become known in one-to-one meetings to be held within the summit framework.

Commenting on economic issues to be raised at the summit, Korotchenya stressed many of them have been prepared. A key theme for the discussion will be further CIS progress towards close economic integration.

The customs union of Russia, Kazakhstan and Belarus has resulted in millions of dividends for union member-states after they abolished unnecessary customs barriers.

Korotchenya does not exclude the possibility of Kyrgyzstan, Uzbekistan and Tajikistan joining the customs union at the summit.

IF Note: Kyrgyzstan's President Askar Akayev pins big hopes on the upcoming CIS heads of state meeting in Moscow, his press service has reported, quoting Akayev as saying that the issue to be examined at the summit "must give impetus to strengthening and further developing relations between the CIS countries." If Kyrgyzstan joins the CIS Customs Union, this will be quite an achievement for the republic and will help it "improve economic relations with the Commonwealth member-countries," Akayev said.

Asked about the CIS' role as a regional organization, Korotchenya urged the need to upgrade CIS status, including in its relations with universally-recognized international organizations such as the United Nations. "Political will is essential for all Commonwealth member-states, if the CIS view is respected in the world," he said, reporting that after the Moscow summit, he will travel to New York to attend at the UN Secretary General's invitation a conference for leaders of international regional organizations.

Azerbaijan President Arrives for Summit

LD1701223696 Moscow INTERFAX in English 2025 GMT 17 Jan 96

[FBIS Transcribed Text] BAKU, Jan 17 (INTERFAX) — The Azerbaijani President Geydar Aliyev has arrived in Moscow Wednesday at the head of a government delegation to attend a CIS summit.

Aliyev told journalists before the take off in Baku airport that participation in the CIS is very useful for Azerbaijan and its partners. Relations between former Soviet republics, now independent states, develop in the CIS framework, he said.

Aliyev also emphasized the importance of bilateral links with his country's CIS partners. In particular, ties with Russia are getting ever closer, he said.

The CIS summit has numerous important items on its agenda, Aliyev said. During his stay in Moscow, he intends to meet with Russian President Boris Yeltsin, Prime Minister Viktor Chernomyrdin, Deputy Prime Minister Alexei Bolshakov and Foreign Minister Yevgeniy Primakov and sign numerous intergovernmental agreements.

Aliyev said that the agreements will consolidate the economic links and that "every such document moves Azerbaijani-Russian links forward."

Azerbaijan has close economic ties with Russia which are continuously expanding, he is convinced.

Asked whether the developments in Chechnya will affect plans for oil transportation between Russia and Azerbaijan, Aliyev said that "what is going on in Chechnya is certainly a cause for concern but, on the other hand, we have our own business to attend to."

Aliyev's meetings with Chernomyrdin, Primakov and Bolshakov are expected to take place Thursday. An agreement on oil transportation, treaties on prevention of double taxation, on cooperation in construction and subway construction and an agreement on economic cooperation until the year 2000 are expected to be signed.

Azerbaijani Prime Minister Fuad Guliyev will sign the documents on behalf of his country.

Abkhazia's Ardzinba Appeals for Support

MM1701152696 Moscow PRAVDA in Russian 17 Jan 96 p 1

[Report by Igor Lenskiy: "The Question of Who Is Spoiling for a Fight"]

[FBIS Translated Text] At a meeting due to be held in Moscow on 19 January, the presidents of the CIS states propose to adopt crucial decisions on a Georgian-Abkhaz settlement. It will be good if they extend the mandate of the CIS peacekeeping forces, who have managed to stabilize the situation in the conflict zone in the last 18 months and thereby open the way to a political solution of the problem. However, officials in Tbilisi categorically insist on "coercive measures," including a military operation to restore Georgia's jurisdiction over Abkhazia. Abkhaz President Vladislav Ardzinba has appealed to the CIS leaders in this connection.

Talks on settling the conflict have been in progress for more than two years, V. Ardzinba writes. The sense of these documents is that the conflicting sides have pledged to regulate state-legal relations between Abkhazia and Georgia and resolve the problem of returning refugees and displaced persons peacefully, by political means, and without using force or threatening to use force.

The conflict between Georgia and Abkhazia, V. Ardzinba recalls, began long before the armed clash between them on 14 August 1992, which was caused by the sudden introduction of Georgian State Council troops. Georgia unilaterally annulled all normative acts regulating its relations with the USSR and Abkhazia during 1989 and 1990. In February 1992 the Georgian leadership abolished the only state-legal act which defined relations between Georgia and Abkhazia (the 1978 Georgian SSR [Soviet Socialist Republic] Constitution) and introduced the 1921 Constitution in its place; the latter makes absolutely no provision for Abkhazia as a subject of state-legal relations. Even now there is no bilateral document from which it follows that Abkhazia and Georgia are a single state with common territory.

The text of the 4 April 1994 joint declaration clearly states that the two equal parties will restore their severed state-legal relations. In the course of subsequent negotiations (in an attempt to move away from these principles) the Georgian side has constantly proposed projects for a state structure in which Abkhazia is given the role of an autonomous formation within the Georgian state — to which it cannot agree.

The main contradiction between the Abkhaz draft agreement and the draft of the intermediary, Russia, V. Ardzinba stresses, lies in the wording of the second article. Working on the basis of the 4 April 1994 declaration, the Abkhaz draft clearly reflects the principle of equal status for the parties seeking agreement. The rejection of this is essentially a rejection of previous accords. In these circumstances, repeated statements by the Georgian leader, its defense minister, and other representatives of their intention to solve the problem by force are perplexing.

We would like to hope, the Abkhaz president writes in conclusion, that the conference will adopt an objective decision taking account of the arguments presented in our appeal.

ITAR-TASS Carries Press Review for 18 Jan

LD1801080396 Moscow ITAR-TASS in English 0752 GMT 18 Jan 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, January 18 (ITAR-TASS) — The situation in the area of Pervomayskoye village, the developments connected with the seizure of the Turkish ferry Avrasya, the State Duma Speaker election process, and the resignation of First Vice-Premier Anatoliy Chubays are principal topics in today's Moscow-based newspapers.

ROSSIYSKIYE VESTI on the hijacking of the Turkish ferry Avrasya.

Vasiliy Korchmar, Russia's Consul in Trabzon, has told the newspaper that there are 151 passengers on board the ferry, with 95 of them being Russian citizens.

IZVESTIYA on the "hostage-freeing" operation in Pervomayskoye.

Valeriy Yakov, the newspaper's special correspondent, has spent three days on the outskirts of Pervomayskoye during the assault on the village.

"The village was practically being reduced to ruins. It is cynical, to put in mildly, to describe the operation as a hostage-freeing one. Survivors are not those who were ostensibly rescued, but those who had the luck of surviving," the journalist writes.

The newspaper points out that the following main questions remain unanswered: how many hostages did the militants hold? How many hostages have been freed? How many of them were among those killed and wounded? What are the losses among the forces attacking the village? Are there any casualties (and what kind of) among the civilian population? What are the losses among militants? Society has every right to know and must get exhaustive answers to these questions from the authorities", IZVESTIYA emphasises.

ROSSIYSKAYA GAZETA points out that terrorists, who seized hostages in Kizlyar, just as their predecessors who had attacked Budennovsk, in their television interviews quite often mentioned the "holy war — jihad" notion.

"Most of those, who refer to the threat of jihad have a very poor idea of Islamic world outlook," Farid Asadullin, Assistant to the Mufti of the Moslem Board for Russia's Central European region, has told the newspaper.

KRASNAYA ZVEZDA on anti-terrorist units.

"Our best anti-terrorist units are acting in Pervomayskoye village. Whether we want this or not, we have got nothing better than the Alpha unit. But let us recall, for fairness' sake, that there was time when it was argued that we do not need such units. So, we have got what we have now. If one wants something better and more effectivem than one should not slash the military budget. One should not humilitate and insult the army, security services, and police.

"It so happens that before real fighting started, we have 'lost', maybe, the best anti-terrorist personnel. They quit the service and now guard and defend the offices of private firms," the newspaper observes.

KOMSOMOLSKAYA PRAVDA believes that the operation in Pervomayskoye "is now following a scenario which is quite different from the one contemplated by the powerful ministries' planners in the Kremlin".

IZVESTIYA on the State Duma election process.

The newspaper is of the opinion that the Speaker electing process "can be viewed, with good reason, as an exemplary scenario for the forthcoming Presidential election".

NEZAVISIMAYA GAZETA, reporting that Gennadiy Seleznev has been elected the Duma Speaker, points out that the "Our Home is Russia and the Liberal Democratic Party have failed to prove it to the Communists that they are not all-powerful".

NEZAVISIMAYA GAZETA on the resignation of First Vice-Premier Anatoliy Chubays.

The newspaper is of the opinion he "has become a hindrance to both Boris Yeltsin's election campaign and to the 'raw materials' lobby in the government."

IZVESTIYA points out that Anatoliy Chubays resigned on the days when a mission of the International Monetary Fund, who are to make a decision on a continuation (or termination) of the granting of credits to Russia, is staying in Moscow.

"The dismissal of Chubays before the talks with the IMF are completed is an indicattion that the Kremlin, probably, no longer attaches much importance, as it used to, to the level of relationships with international financial organisations," the newspaper observes.

PRAVDA believes that Anatoliy Chubays will go down in the history of radical reforms as "an indispensable conjurer who was busy putting it into people's heads that a mere piece of strangely-named paper (voucher) was worth not less than two Volga cars."

Russian Paratroopers Arrive in Bosnia To Join IFOR

LD1801093296 Moscow ITAR-TASS in English 0855 GMT 18 Jan 96

[By Ivan Ivanov]

[FBIS Transcribed Text] TUZLA, January 18 (ITAR-TASS) — Six heavy transport planes have arrived in the northern Bosnian town of Tuzla from Russia during the past 24 hours. They brought there one more party of Russian paratroopers for the peace implementation force [IFOR] in Bosnia-Herzegovina, as well as combat equipment and provisions. 39-year-old Colonel Aleksandr Lentsov, Commander of the Russian brigade, told ITAR-TASS that the Russian military transport aviation would effect about sixty more flights there in the next ten days. Eleven trains with 100 armoured vehicles and 300 trucks will also arrive soon.

There are already about 300 Russian officers and men in the town of Uglevik, and also in some villages of northeastern Bosnia, both on Serbian and Muslim territories.

The Russian brigade is to begin patrolling the 70-kilometer-long disengagement line between Bosnia Serb troops and Muslim units in the Mayevica mountains as of February 1. It stretches from the town of Brcko in the north to the Svornika area in the northeastern part of the Serb Republic. The main task of the Russian peace implementation contingent, according to Lentsov, is to prevent a new outbreak of hostilities between the conflicting sides, to monitor the observance of the ceasefire agreement.

U.S., West Trying To Prevent Economic Reintegration

LD1701220696 Moscow INTERFAX in English 1802 GMT 17 Jan 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Jan 17 (INTERFAX) — Moscow believes there is a newly-emerging trend in the West, above all in the United States, aimed at preventing economic reintegration in what used to be the Soviet Union, or even to drive in a wedge between the CIS states and Russia, a high-ranking source told INTERFAX on Wednesday [17 January].

As an example, he pointed out U.S. ambassador Thomas Pickering's offer of competition with Russia in settling the Karabakh conflict at a recent meeting with newly-appointed Russian Foreign Minister Yevgeniy Primakov. The source said the minister had given an appropriate response to the offer.

He quoted Primakov as saying Russia and the United States could cooperate, not compete in settling the conflict.

The United States and the West seek to ensure the best conditions for their businessmen on ex-USSR territory and squeeze out of there such competitors as Russia and Russian firms, the source said.

This trend comes as a result of the West attributing to Russia "the image of the former USSR: Whatever Russia does it is viewed negatively," the same source said.

Pickering Cited on $100 Bills Exchange

MM1801093496 Moscow FINANSOVYYE IZVESTIYA in Russian 16 Jan 96 p 1

[Report by Ivan Zhagel: "Americans Open Enquiries 'Hot Line' on New $100 Bills" — received via Internet]

[FBIS Translated Text] New $100 bills will come into circulation in the first quarter of this year, but not before February, Thomas Pickering, the U.S. ambassador to Russia, stated at a meeting with journalists. He also noted that at least two weeks' official notification would be given in advance.

Many representatives of the U.S. Federal Reserve System have recently visited Russia and have briefed all interested circles in considerable detail about all the implications of the coming event. And the involvement of diplomats in this campaign clearly shows that the United States is still not sure that the introduction of the new $100 bills will not go hand in hand with some upheavals or speculative activity in our country.

T. Pickering stressed that of the $380 billion cash dollars in circulation, two-thirds are circulating outside the United States. Russia accounts for $15-20 billion of the U.S. currency, which is more than any other country. The $100 bills will be followed approximately a year later by new bills of other denominations. Consequently, we can assume that the Americans would clearly not like confidence in their currency to be undermined at this initial stage of the campaign.

The U.S. ambassador welcomed the recent agreement between the Central Bank of Russia and eight leading Russian banks that no more than 2-percent commission would be charged for exchanging old $100 bills for new ones. He considers this commission completely fair, since the banks will bear the costs related to the import and export, counting, and storage of the cash. In his opinion, the exchange will be even more costly in European countries — but the process will not be as painful, since people there do not hold "sockfuls" of cash, much less American cash.

He also called on Russian citizens not to rush to exchange their money immediately the new bills are issued, since the old bills will remain legal tender indefinitely. If some people do decide to do so, they must choose carefully a bank that offers the best terms. In order for this process to be as painless as possible, the Americans plan to give free consultations to anyone who wants one.

A U.S. Treasury Department information center has already opened in Moscow. And it has opened "hot lines" with the following numbers — 253-14-50 and 253-14-40. Similar centers will be opened in other major Russian cities. Their contact details can be obtained by telephoning the above Moscow numbers.

Abkhaz Officials: Peacekeepers' Role May Be Curbed

LD1701204296 Moscow INTERFAX in English 2024 GMT 17 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 17 (INTERFAX) — Abkhaz authorities believe that if the January 19 CIS summit in Moscow grants police powers to CIS peacekeeping forces in Abkhazia, the conflict in the region will start anew, Stanislav Lakoba, first deputy speaker of Abkhaz parliament, told a news conference in Moscow Wednesday.

He said that "tensions have been heightened lately around Abkhazia in connection with the plan of Georgian President Eduard Shevardnadze, worked out for the CIS summit and envisaging complete isolation of Abkhazia from Russia and the rest of the world, and his intention to change the mandate of the peacekeeping forces."

By doing so Georgia is trying to involve Russia in the conflict as its ally, said Lakoba.

In this situation, Abkhazia will have to refuse to prolong the peacekeepers' mandate on its territory, he said.

Abkhaz Foreign Minister Leonid Lakerbaya, who also took part in the news conference, reiterated Abkhazia's adherence to close ties with Russia. He recalled that Abkhazia became part of Russia as early as in 1810, under a manifest of Russian Emperor Alexander I, which it still views as the basic document.

Commenting on the latest developments in the North Caucasus, Lakerbaya said that they confirm that it is impossible to resolve the Chechen conflict by military means.

IZVESTIYA Reports Results of Yeltsin-Kuchma Talks

MM1801093596 Moscow IZVESTIYA in Russian 18 Jan 96 p 1

[Report by Anatoliy Stepovoy: "Black Sea Fleet To Have New Commander"]

[FBIS Translated Text] The working meeting between the Russian and Ukrainian presidents on Tuesday was held "one-on-one." According to reports from the two presidents' immediate entourage, B. Yeltsin and L. Kuchma agreed that the troubled "big" treaty of friendship, cooperation, and partnership will be signed in the very near future, before all the Black Sea Fleet problems are finally settled. Incidentally, at the Ukrainian side's insistence one naval problem was resolved at the meeting. Ukrainian diplomats have announced that the fate of Admiral Baltin, the Black Sea Fleet commander, has been finally sealed — the question of reassigning him to another posting is being examined.

The meeting also discussed the status of Sevastopol. B. Yeltsin proposed discussing the possibility of dual Russian and Ukrainian ownership of the city. In reply Leonid Kuchma stated quite firmly: "Sevastopol is a Ukrainian city." And he added that there could only be a question of Russia's retaining certain infrastructures in Sevastopol. Yeltsin agreed to these terms.

It is understandable that the presidents were unable to keep silent about such an acute problem as Ukraine's failure to pay Russia for supplies of oil and gas. Leonid Kuchma managed to persuade Yeltsin of the need to streamline the procedure for paying off the debt. As a result of the discussion an agreement was signed on setting up a cooperation commission to be headed by Prime Ministers Viktor Chernomyrdin and Yevhen Marchuk. They have been instructed to develop a mechanism for settlements which would be acceptable to both states, IZVESTIYA's correspondent Anatoliy Stepovoy reports.

Baltin's Resignation Not Confirmed

LD1701202196 Moscow ITAR-TASS in English 1956 GMT 17 Jan 96

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, January 17 (ITAR-TASS) — The headquarters of the Black Sea fleet and the headquarters of the Russian Navy did not confirm earlier reports about the resignation of Admiral Eduard Baltin, commander of the Black Sea fleet.

Officials at the headquarters of the Black Sea fleet told ITAR-TASS that they had learnt about Baltin's alleged resignation from TV news."

'Stagnation' Seen in Relations With Ukraine

LD1701232896 Moscow NTV in Russian 1635 GMT 16 Jan 96

[Commentary by Sergey Karaganov, deputy director of the Russian Federation Europe Institute — recorded; place and date not given; from the "Hero of the Day" program]

[FBIS Translated Text] To describe Russian-Ukrainian relations in one word, that word would be stagnation. Both sides are to blame.

The Ukrainians have a younger brother complex. They are afraid that if they get too close to us too quickly we will swallow them up, so they are forced to push themselves away from us all the time, proving their independence, although that independence doesn't have to be proved.

Russia has a more complicated complex. It is a big brother complex on the one hand, a certain disdain accompanied by the feeling that they'll have to tow along with us, they've no option. And there is also the simple Russian desire not to do anything. We don't have a Ukrainian policy. We don't have people who systematically deal with Ukrainian policy, rather there are no state bodies.

In this situation, stagnation is continuing and it is clear to whose advantage this is. This stagnation is to the advantage only of those who support division and separation, the alienation of Russia and Ukraine, in Ukraine or in the West.

What is the solution to the situation which has evolved? There are differences which cannot be overcome in the near future. The solution is rather simple: to discuss the problems which have come to a head and to resolve them, to create a new climate in relations between the states and to obtain a treaty, a ceremonial declaration of mutual respect and friendship, and finally, to open up channels of interaction — economic, political, cultural. That can and must be done and we need to have a policy for that and so, of course, do our Ukrainian neighbors and we are waiting for the presidents to open up channels of interaction.

The second thing is that obstacles must not be put up. The frontier must not be made tougher. Laws which get in the way of people's friendship must not be passed because, in the final result, the strengthening of the division of the people will create such friction, such tension which may cause Russian-Ukrainian relations to explode. That is very dangerous because stagnation may always lead to crisis.

Taleban Spokesman Says Pilots Will Be Released

LD1701191296 Moscow ITAR-TASS in English 1415 GMT 17 Jan 96

[By Vyacheslav Anchikov]

[FBIS Transcribed Text] ABU DHABI, January 17 (ITAR-TASS) — The Russian pilots held in Kandahar by the "Taleban" movement will be released, but when this happens is not immediately clear, a high-ranking representative of the "Taleban" told Russian representatives who visited Abu Dhabi. Representative of the Tatarstan airlines "Aerostan" company Munir Faizulin who returned from Afghanistan to the United Arab Emirates told ITAR-TASS that he and Tatarstan's presidential adviser Timur Akulov had failed to meet leaders of the "Taleban" council who, apparently, had not decided yet when the pilots taken into captivity on August 3 would be set free.

Faizulin said that this information would be brought to the notice of the Russian Foreign Ministry which will have to decide on further tactics in contacts with the "Taleban".

Faizulin said that the pilots' physical condition was normal. "Talking to them, we did our best to give them moral support and, in particular, to Aleksandr Zdor who recently declared a hunger strike," Faizulin said.

The "Taleban" promised to release the seven pilots on December 30, 1995, but have not released them. Since that time on, the "Taleban" evades an answer to a concrete question as to when the crew of the Russian plane will be released.

Russian Chemical Weapons Allegedly Sold to Syria

MS1701133496

[FBIS Editorial Report] The London BBC Television Network in English at 2230 GMT on 16 Jan in its "Newsnight" program carries a 15-minute report by Mark Urban from Moscow on a Russian Secret Police report alleging that Russian Lt-Gen Anatoliy Kuntsevich was stealing chemical weapons components to ship to Syria. The report includes interviews with Vil Mirzayanov former Head of Counter-Intelligence at the GosNIIOKht Chemical Institute; former Soviet President Mikhail Gorbachev; and Lt-Gen Anatoliy Kuntsevich; all speaking in Russian with superimposed English translation.

The report opens with a clip of Kuntsevich in uniform, cutting to show men in protective suits, external shots of the GosNIIOKht Chemical Institute in Moscow, and footage of a reconstruction of KGB investigations into the alleged sale of Russian chemical warfare secrets to Syria. The report then shows Vil Mirzayanov.

Mirzayanov speaks: "I can say directly and with confidence that in the GosNIIOKht where I worked, an institute which was in charge of developing chemical weapons in the USSR and now in Russia, no one took Gorbachev's proclamation seriously. Whats more, at an official meeting the director of the institute said that just as before and just like other weapons we should do everything in our power to develop, test and produce chemical weapons despite American imperialism."

Gorbachev speaks: "Well maybe they were completing some of the programs that had already started, perhaps there were loose ends to tie up. I don't have any reason to doubt the information I received back then on the basis of which we had our agreements. The main thing was that we really cooperated and achieved mutual understanding between ourselves, America and France."

The report then shows nerve gas experiments being conducted on rabbits, workers in protective clothing in a store containing metal drums, shots of a chemical weapons training ground, a display of allegedly outdated chemical weapons conducted by General Kuntsevich, and Kuntsevich signing an international chemical weapon agreements on Yeltsin's behalf.

Mirzayanov continues: "I don't think General Kuntsevich can be respected or trusted, he is a person that will observe the orders coming from the top, but at the same time will be using all means necessary to preserve the potential of the army and the military-chemical complex so he can continue creating and testing new types of chemical weapons."

The report then shows Mark Urban meeting Kuntsevich in Moscow.

Kutsevich speaks: "I believe that any person, any specialist who spent his life creating a scientific infrastructure, creating the power of a great state, as the USSR used to be — certainly it is painful to see the destruction of this structure, particularly when it is done so groundlessly. When we see this sort of destruction working against the interests of the state, so I belong to those people who realized the disastrous impact of this process a lot earlier, back to the end of the '80's."

The report continues with external footage of the GosNIIOKht plant, further shots of the reconstruction of the KGB investigation, and a still photograph of Syrian President al-Asad.

Mirzayanov continues: "A point with Kuntsevich was highly suspicious, he brought into the program top scientists from our institute, they synthesized samples of chemical weapons from the ecological center, why? It all looked very odd and became even more so when it was revealed the chemicals used for making weapons had been stolen." The report then shows a reconstruction of the theft of chemicals and a container with the words "ONACHO" emblazoned on its side.

Kuntsevich continues: "What I'm saying is that even the figure itself of 800 kilograms is peculiar. It would be a completely different matter if it was 800 tons, but 800 kilograms? What are 800 kilograms of chemical substance? You cannot make a chemical weapon with 800 kilograms, you cannot do anything with 800 kilograms, obviously it is a political game."

Urban then asks Kuntsevich: Your own security service says you supplied these chemicals to Syria, some of the people who worked with you, like Vil Mirzayanov, says you did, and many Western Governments seemed to believe you did as well. Are you saying they are all wrong?

Kuntsevich replies by saying: "Yes of course it's wrong, I think it was done in order to find pretexts to put political pressure on me to defame me and to dismiss me. It was necessary to break people's trust in me. They found a way that showed me as a person who committed some sort of action against everybody's interests. In fact nothing of the kind was done."

Urban then quotes remarks by an anonymous GosNIIOKht official that Kuntsevich had been engaged in something "The scale of which would make the Tokyo subway gas attack look trivial." He wouldn't give us an interview on camera because he said: "You would not be able to protect me from the consequences."

The report then shows an argument taking place between Urban and security officials outside the GosNIIOKht plant, then goes on to interview Mirzayanov.

Mirzayanov concludes by saying: "I am confident that General Kuntsevich and others are not to be trusted. What they do is highly suspicious. They are primarily interested in helping the military-chemical complex to survive in order to preserve their power. One can expect anything from these Generals. They can act without the Russian Government's knowledge, and that is very dangerous."

Dedramatizing NATO Expansion Urged

MK1801060196 Moscow NEZAVISIMAYA GAZETA in Russian 17 Jan 96 p 2

[Report by Dmitriy Vitalyevich Trenin, research associate of the Europe Institute of the Russian Academy of Sciences and the Moscow Carnegie Center, under the "Carte Blanche" rubric: "New Confrontation with NATO Impermissible. Russian-Western Relations Are Too Important To Make Them Dependent on the Status of Central Europe"]

[FBIS Translated Text] Reshuffles at the Foreign Ministry are changing the image of Russian foreign policy, but they are unlikely to change the essence of the problems facing it. It is said that Yevgeniy Primakov's appointment to a post held so long by Andrey Kozyrev is set to cause a toughening of the Russian stance or, at least, Russian rhetoric with regard to the West. It is believed that this policy adjustment may elicit a positive response from the State Duma and, generally, strengthen the president's hand in the run-up to presidential elections. If this is so, one of the first areas where the new style may become evident appears to be the question of Central European countries' joining NATO. Many people recall in this regard a harsh tone of the report drawn up by the Foreign Intelligence Service [SVR] at the end of 1993.

Over the two and a half years that followed the discussion on NATO's expansion has turned nearly into a ritual — and fairly futile — exercise.

Participants in this discussion on both sides cannot get rid of the feeling that the situation has entered an impasse. The West insists that it cannot accept a Russian veto on the admission of new members to the alliance. Moscow, for its part, still thinks NATO's eastward expansion to be absolutely unacceptable. This problem is unlikely to go away by itself. If we let the situation evolve at its own discretion, it will, in all likelihood, only get worse.

Undoubtedly, such an outcome would suit only those who look forward to a new confrontation or think it to be inevitable and even useful for achieving their own ends. For those whom such prospects do not suit, however, there is only one way out — to take action so as to try to use the few opportunities that still remain.

It is not a matter of resuming attempts to reach agreement with the West on what terms and conditions Poland, the Czech Republic, and other countries may become NATO members. It is even less so a matter of continuing the campaign of intimidating the West.

If we are to break the impasse, we need to turn the problem absolutely differently compared to its previous position. In so doing, we should proceed from the following premises:

— NATO's expansion first of all poses a psychological problem for Russia, and precisely for this reason it will be nearly irresolvable in the near future. The actual threat is not that the alliance will "advance right to the CIS borders," but that the West may thoughtlessly provoke a completely disproportionate reaction from Moscow;

— a new confrontation with NATO, even if farcical, would exhaust Russia's resources; furthermore, attempting to concentrate these resources would stop reforms and cause political and economic confusion in the country. Considering this, it seems that a minimum degree of national consensus could be achieved on demilitarizing Russian-Western relations.

Is such a demilitarization possible? In our view, quite possible. NATO is preoccupied with problems of its own survival as an institution, and the idea of expanding the alliance eastward is an example of fleeing forward. Is Russia interested in NATO's continued existence? Yes, for fully evident reasons, relating, first of all to the role of the United States and Germany in Europe. Russia, however, is interested in having NATO transformed so as to make it more open and politically-oriented. Such a transformation cannot result from geographical expansion.

What can become the essence and simultaneously a guarantee of this transformation is, first of all, a new relationship between NATO and Russia, the formation of which has been on hold for two years now due to the discussion on admitting former Warsaw Pact countries to the alliance. Andrey Kozyrev was usually criticized for his pro-Western stance. The serious, strategic mistake of Kozyrev's Foreign Ministry, however, was its inability to create a solid institutional framework for Russian-Western relations by using the "window of opportunity," which was flung wide open. For whom this turned out to be more disadvantageous is obvious. Since 1993, every new year has brought increasingly unfavorable conditions for institutionalizing the cooperation. Finally, at the end of 1995 scenarios of "little cold war" were seriously contemplated in tired Russia.

We do have an individual partnership program, however, but it remains frozen — again, in connection with the problem of NATO's expansion. The expansion worries Russia insofar as there is no partnership. A vicious circle? In order to break it Russia and the West need to focus attention on their bilateral relations, putting the problems of Central Europe somewhat aside.

In fact, people in Russia are fearful of NATO's eastward expansion precisely because they do not fully trust the Atlantic alliance. Much-vaunted statements about a Russian-Western strategic partnership have caused considerable damage because this partnership was proclaimed a reality, while it had yet to be created.

Some people are proposing negotiations on a treaty between Russia and NATO. While correct in principle, this approach would require too much time to agree on phrasing, producing as a result a declaratory document that cannot actually foster relations between the 16 countries and Russia.

The creation of a partnership is a complex and multifaceted process, but its engine could only be a joint effort to resolve a specific problem, not an agreement on paper. It is precisely for this reason that it is extremely important that Russia and the West build a functioning cooperation model during the preparations for and conduct of the multilateral peacekeeping operation in Bosnia. As for Russian-Western relations, this operation began effectively as soon as General Shevtsov's group arrived in Brussels. Stakes are extremely high in the Bosnian cooperation: A success will considerably bring forward the cause of partnership, while a failure will almost inevitably prompt a conclusion that no partnership is possible at this stage.

Along with conducting a peacekeeping operation it is necessary energetically to institutionalize a long-promised "broad dialogue" between Russia and the alliance. The issue is the start of regular political and military consultations under the 16+1 format at the level of the NATO Council, the defense planning committee, and the nuclear planning group. Only based on the dynamics of practical cooperation will it become possible to draw up the corresponding agreements between NATO and Russia that would create the requisite legal framework for an emerging partnership. At the final stage, the relations that have already gained the requisite momentum could be institutionalized by signing a treaty.

As for the problem of admitting the countries of Central Europe to NATO, it should be in principle treated as something marginal from the point of view of Russian-Western relations. With regard to civilizations, these countries have already made their choice by opting for the West, which, generally speaking, is perceived in Russia as something natural. Had it been a matter of expanding the European Council or even the West European Union, Moscow would have hardly had any objections, but NATO is a different matter. Russia should recognize, however, that its psychological allergy toward NATO has a twin, namely, the Central Europeans' (particularly the Poles') historical suspiciousness toward Russia. And this is a long-time phenomenon.

Now it is difficult to imagine NATO saying "No" to its eastward expansion. Poland and, possibly, the Czech Republic will finally reach Brussels. The only question is when. Hungary and Slovakia face more problem; as for the others, they will probably be left out for good.

In order to avoid a fast and destabilizing expansion of NATO — at least onto one country — Moscow should quickly, but thoroughly promote its cooperation with the West and — in parallel — to step up a dialogue with its former allies that has finally been resumed.

What is required from Moscow in the Central European area is a positive and differentiated policy. Russian diplomacy needs to involve the Poles, Czechs, and others into a productive, bilateral dialogue on security problems. During this dialogue Russia should discuss with the Central Europeans how new security relations should be created, how mutual concerns in that regard could be addressed, and so forth. The question of NATO membership should not be passed over, but it would be better discussed alongside a number of alternatives, which should also include the prospects for becoming members of the European Union and West European Union, joining the European Union and NATO together, and so forth.

The West, which has in principle already made a decision on expanding NATO, would be wise to avoid new, "historic" steps that could pull Europe back to its recent past and to concentrate on forging actual cooperation with its partners in the East under individual programs. It is quite evident that there is a huge number of objectives to be achieved since the applicants need to reach certain standards in such areas as civilian-military relations; the transparency of defense budgets; the compatibility of communications equipment; the preparation of joint peacekeeping operations. After a decision on expansion has already been made in principle and cannot be reversed, it would be impermissable to allow an untimely answer to "technical" questions — who should be admitted and when — to undermine the prospects of Russian-Western relations.

It is high time for Russia and the West seriously to get down to formalizing their long-term relations. Ironically, Primakov, former member of the CPSU Politburo, may find it easier to do than the "pro-Western" Kozyrev. For the West, the appointment of Primakov is a fairly serious signal that Russia is gradually regaining concentration. This circumstance, it seems, may prompt a more thought-out approach to the development of relations with Moscow. Whatever presidential elections might promise, a post-communist

Russia appears to have already taken shape, and an answer to the question of "What will Russia be?" is more or less clear. At the same time, the question of "What will relations between Russia and the West be like?" remains open. Under Kozyrev, as we remember him, the situation seemed to be diametrically opposed.

In this context it would be advisable to dedramatize the problems pertaining to Central Europe and to push them slightly aside, without infringing on the crucial stances of either side in the meantime. Our former Warsaw Pact allies are unlikely to take offense: They, of all people, know that the genuine guarantee of their security is a Russia included in the European security system and playing by the universally accepted rules. Proceeding from these realities, only a Russian-NATO cooperation can become a mainstay of such a system.

Political Issues

Yeltsin Briefed on Pervomayskoye; Prepares for CIS Summit

LD1801100396 Moscow ITAR-TASS World Service in Russian 0850 GMT 18 Jan 96

[FBIS Translated Text] Moscow, 18 Jan (ITAR-TASS) — President Boris Yeltsin's working day started with a report by Mikhail Barsukov, the director of the Federal Security Service on the situation in the area of the Dagestani village of Pervomayskoye, where the federal forces have for the last four days been engaged in eliminating Dudayev's terrorists. This was reported to correspondents by Sergey Medvedev, the head of state's press secretary.

He said that today President Yeltsin plans a whole range of meetings on one subject — preparations for the forthcoming meeting of the Council of CIS Heads of State on 19 January.

Chubays Interviewed on 'Sudden' Resignation

LD1701211096 Moscow Russian Television Network in Russian 1725 GMT 17 Jan 96

[Interview with former Russian Deputy Prime Minister Anatoliy Chubays by Nikolay Svanidze in Moscow on 17 January; from the "Details" program — live or recorded]

[FBIS Translated Text] [Svanidze] Anatoliy Chubays speaks to 'Details' today. What is your team going to do now, what have you told them?

[Chubays] The first thing we have agreed on is that they should continue their work because as I said before, I am deeply convinced that any collective resignation would deal a very heavy blow to the situation. The financial and the economic situation itself is now very heated, very difficult. These days, these weeks have been very hard.

There is a whole set of large-scale decisions on which much work has been done, which have been almost completed in fact and require a week, or a week and a half for final ironing out. These are various issues — starting with the talks with the IMF which begin today and ending with a packet of documents on alcohol, on regulating the alcohol market. All these documents can be completed and problems resolved only providing it's done by those people who, as it were, are neck deep into it, who know all the details and are able to tackle the matters professionally. That is why the main thing we have agreed upon is that everyone should continue working.

[Svanidze] Just for now or....

[Chubays, interrupting] I think the solution will be simple here. The other fundamental issue which will define the answer to your question is who will be my successor. There are several options, which I would consider as working options and which have been discussed. With these options, it would be possible for the team to stay and more importantly for the policy to be preserved.

At the same time, if some odious names and the change of the policy are mooted, then the team will be unable to continue its work.

[Svanidze] And they will collectively resign.

[Chubays] I do not exclude this possibility.

[Svanidze] Anatoliy Borisovich, one has the impression that your resignation, which was so sudden, was of an emotional nature to a great degree. You found that the president was unhappy with your work and you submitted your resignation.

[Chubays] Not in the least. Emotions had nothing to do with it. Nothing at all. In a sense this was a sudden move, and I am ready to agree with you here.

[Svanidze] This is such a busy period.

[Chubays] True. But I won't agree that this was an emotional decision. I regarded this issue as simple and unequivocal — if the president says I must not work then I must not work. That's it. And there should be no discussions or attempts to persuade him to change his mind, to say no, I want to work for a while. All this is unacceptable, this must not and should not happen. As for the decision of the president himself, I don't think at all that it was emotional. I am convinced that this decision had been well thought over.

[Svanidze] For a long time?

[Chubays] I think from this autumn, from last autumn, rather.

[Svanidze] Did you yourself meet the president in the last few days?

[Chubays] No I did not.

[Svanidze] Will you?

[Chubays] I don't think so now.

[Svanidze] Do you think your dismissal is of a political nature?

[Chubays] Yes, I think this is true to a great degree.

[Svanidze] So is this an attempt to pacify the voter to an extent? One can't describe you as a popular political figure.

[Chubays] No one can't. That's true: one can't describe me as a popular political figure.

You see, with all the complex nature of the situation, and with all the known drawbacks of the economic position, I insist that there are positive changes. The production decline has stopped for the first time. In December this year, or last year rather, inflation was reduced to 3 percent a month for the first time. For the first time we have 12 billion dollars of hard currency reserve — the country has never had anything of the kind before. There is a first approved budget and so on.

All these results are crucially important for setting the scene for improvement, for increasing production and for better living standards. Politically, all these results are not worth a lot and don't bring much. They don't have any direct effect on votes of the electorate. Yes there are 12 billion dollars of hard currency reserves so what, an ordinary voter would tell us. And he will be right, too.

At the June elections, a presidential candidate will absolutely have to take into consideration not only reports of highly qualified experts on the macro-economic situation, but also, to a considerable degree, the mood of the voters. It will be his duty. Here I see the reasons why Boris Nikolayevich has taken this cadre decision.

[Svanidze] So, you understand the president in this respect?

[Chubays] No doubt I do.

[Svanidze] Don't you feel hurt, deeply hurt? You are a strong man, you have worked in this direction for four years, you took property from the state and gave it to the citizens, as it were. Citizens don't like you, and the president accepts your resignation.

[Chubays] The state does not like me either.

[Svanidze] Eventually.

[Chubays] You should understand that I am not in the vacuum, so to say. I understand and see very well the political forces which have set themselves as their main objective the destruction of Chubays at any cost. Not only me personally, but also the direction which I represent. These are very powerful and serious forces. The possibility of their victory was obvious to me from the very start.

In this sense it is not quite that I am hurt by what has happened. As for the emotional side of the matter, I am the most surprised that this has taken such long time to happen. My political opponents from various part of the political spectrum mounted a massive hatred campaign, not to say anything about the financial resources which were invested into deploying a large-scale propaganda move against Chubays; not to mention volumes of analytical reports on Chubays's crimes which regularly landed on all important desks in the country, including that of the president. This should have happened long ago, considering all the efforts and resources invested.

This is what has surprised me most in the present situation, rather than the event itself. So, if we eventually draw the bottom line, in view of what I have just described and what I have managed to achieve during this period, I can honestly say to you that although I have complex emotions about this, there is more satisfaction than resentment.

[Svanidze] You have left rather unexpectedly, and some serious projects have no doubt remained unfinished. What are they?

[Chubays] There are some promises which I gave personally, for example, and which I could not or had no time to carry out. It was my duty to carry them out. In this sense, my December 1995 undertakings to miners are probably the most important issue. I promised to pay them 500 billion rubles over and above the 1995 budget. Of the 500 billion, we managed to pay out 100 billion in November, but could not pay the other 400 billion. The other day there was a frank discussion about this. I believe, or believed this was an iron-cast undertaking and it was our duty to deliver. We can deliver it. We achieved the budget goal 100 percent in 1995 as far as miners are concerned, but I personally had promised 500 billion on top of the budget. I gave out 100 billion, but did not have a chance to give the 400 billion.

I would have liked very much to see this promise implemented, and I am going to see the finance minister about this.

Premier: Successor 'Will Be a Reformer'

LD1801142496 Moscow ITAR-TASS World Service in Russian 1350 GMT 18 Jan 96

[By ITAR-TASS correspondents Gennadiy Yezhov and Artem Protasenko]

[FBIS Translated Text] Moscow, 18 Jan (ITAR-TASS) — The successor of Russian Deputy Prime Minister Anatoliy Chubays to the post of chief economist of the Russian Government "will be a reformer," Russian Prime Minister Viktor Chernomyrdin said today in response to a question from an ITAR-TASS correspondent during a news conference.

The prime minister did not reveal whose candidacy he intended to discuss with Boris Yeltsin in the very near future. At the same time Chernomyrdin stressed that the candidate for the post of deputy chairman of the government handling economic issues would definitely "possess business qualities and would also be a reformer."

Chubays 'Sacrificed' to Yeltsin Ambitions

MM1801115696 Moscow KOMSOMOLSKAYA PRAVDA in Russian 18 Jan 96 p 1

[Article by Yevgeniy Anisimov: "Chubays Sacrificed on Altar of Reform"]

[FBIS Translated Text] We are not going to cite all the reasons for which First Vice Premier Chubays, who was responsible for the Russian economy, has been removed from the levers of power. The most obvious is the start of a presidential election campaign during which it would be very desirable to sacrifice the most unpopular figure. The fact that very few people love Chubays, to put it mildly, is obvious. He is said to have misled people over privatization, encouraged the penetration of Western capital into the country, refused money to budget-funded workers, not repaid the state's debts, not paid compensation for citizen's destroyed investments in financial structures.... A remarkable lightning rod. The fact that thanks to the Chubays team it has been possible to steer the economy along the fine line between total collapse and hyperinflation, that the budget has been freed of the insupportable burden of supporting inefficient enterprises, that it was precisely under Chubays that it became possible to talk about some kind of stabilization and some kind of hopes of economic revival — the critics prefer to overlook all this. Some because they do not understand, others for ideological reasons. But Chubays can now go — he has served his purpose. He could have done even more, but politics requires sacrifices.

With Chubays' departure the existing balance within the government is immediately disrupted and the influence of the other first vice premier — Oleg Soskovets — sharply increased. Economics Minister Ye. Yasin has not gone not yet, but the rumors that he is on the way out are becoming increasingly persistent, even including claims there is a presidential edict which has already been signed but not yet put into practice. Essentially there will be no influential reform-minded figures left in the government.

Daily: Ouster May Hurt Yeltsin, Premier

MM1801090896 Moscow IZVESTIYA in Russian 18 Jan 96 p 2

[Article by Irina Savvateyeva: "The Kremlin Team Sacrifices Chubays To Secure Its Long-Term Political Future"]

[FBIS Translated Text] The dismissal of Anatoliy Chubays is not just the dismissal of one of the government's first vice premiers. This is an event will have serious consequences for the country's economic life and political life. Furthermore, they could be the complete opposite of the consequences that those who really instigated this dismissal are counting on.

According to the detailed accounts provided by the news media, events unfolded like this. In mid-December (when Boris Yeltsin was in the Central Clinical Hospital, where he received frequent visits from General Aleksandr Korzhakov) the president began increasingly often to express in one form or another his displeasure with the work of the government's economic team. The harshness of the tone and the number of criticisms increased particularly in recent weeks. But when last Friday [12 January] Viktor Chernomyrdin conveyed to Chubays the president's latest batch of criticisms, the vice premier offered to bring this very complex situation to an end and began talking about resignation.

Subsequently Anatoliy Chubays had a brief telephone conversation with the president during which he announced his intention to resign. According to unofficial information received by IZVESTIYA, the president offered Chubays the enigmatic post of "Russia's economic representative to the United Nations." Evidently this is connected to work in one of the UN system's international economic organizations.

But a few hours later the edict announcing Anatoliy Chubays' dismissal from the post of first vice premier was signed. The reason for the dismissal was worded thus: nonfulfillment of certain presidential edicts and directives, "weakness of character" ["slabokharakternost"] (?!) displayed in work with ministries and departments, and late payment of wages to the budget-funded sector.

According to eyewitnesses the prime minister is finding the present situation very difficult. He asked Anatoliy Chubays not to take his team with him but to "leave" it behind, and Chubays at his farewell news conference constantly stressed that his team — a team of top-class professionals — is remaining with the government. The relates above all to some high-ranking officials at the Economics Ministry and the State Committee for the Management of State Property [GKI] — Economics Minister Yevgeniy Yasin, Deputy Economics Ministers Sergey Ignatyev, Sergey Vasilyev, and Yakov Urinson, GKI Deputy Chairman Alfred Kokh, Federal Administration for Insolvency (Bankruptcy) Director Petr Mostovoy, and Securities Commission Deputy Chairman Dmitriy Vasilyev.

According to information received by IZVESTIYA, the team has indeed made a decision not leave without good reason and "to work as long as possible." However, many doubt that it will be at work for very long. Most probably a month or two, one of our interlocutors suggested.

But can the continuity of the economic policy be ensured?

In government corridors today the following names are being mooted as possible contenders: Aleksandr Livshits, Duma Deputy Aleksandr Shokhin, former Federation Council Speaker Vladimir Shumeyko, and Vladimir Shcherbakov, vice president of "Russian Business Roundtable." Many regard the first of those contenders as the best choice. But even if the dismissed vice premier's post is taken by the consistent pro-marketeer Aleksandr Livshits, the chances of maintaining the old economic policy seem extremely slight, according to views expressed in the government apparatus.

What will happen to Economics Minister Yevgeniy Yasin, who refuses to issue cheap state investment funds illegally even to high-ranking applicants, now that he has lost Anatoliy Chubays' support — that is the big question.

How will the Finance Ministry operate without a supporter in the government apparatus in the shape of Anatoliy Chubays — that is an equally big question. Most probably the privatization department — the GKI — will be thrown to its many opponents to tear it to shreds.

As early as January, government sources predict, the problems of wage payments in the budget-funded sphere, the collection of the budget arrears, and consequently the funding of all budget expenditure will become acute. All these questions have been left "unattended" since Chubays' dismissal. The other first vice premier, who, as is well known, is jointly head of the president's election staff, will hardly be able to work on these problems with the same persistence — day and night.

As the dismissed man himself recalled, six government decrees and two presidential edicts on the regulation of the alcohol market must be prepared in the days ahead. Two trillion rubles — that is the cost of each month's delay in the adoption of these documents. Without Chubays will the government have a worthy opponent to counter the powerful lobbyists?

Things will be hardest of all for the premier in the current situation. "Chernomyrdin has been set up, that is obvious," is the view within the government. Chubays' dismissal leaves the premier seriously weakened as it does the whole government team in the structure of the executive organs of power. On the other hand the position of another team — Ilyushin, Korzhakov, Borodin, and their sidekick Soskovets — has been considerably strengthened (for the moment). The White House believes that this "Kremlin" team "pressured" the president by arguing that the dismissal of the unpopular Chubays would greatly boost Yeltsin's standing in the election campaign that is being launched.

However, whether the president himself will benefit from this whole state of affairs is the big question. A rise in inflation and general economic chaos are not the best assets in the presidential elections, and the price that the people will have to pay for the short-term tactical "victory" of a handful of people in the president's entourage is too high.

Generally speaking, this is all very reminiscent of the era of Gorbachev's decline: In the hope of reaping political dividends he dismissed his closest comrades — Yakovlev and Shevardnadze — and gambled on the apparatus entourage....

Perhaps Boris Yeltsin will not have to endure a Foros of his own. But the aftermath of the elections, which will have to be held in the economic and political situation which has largely been predetermined today, could be worse than that of Foros.

Removal Seen Due to Election Outcome

MM1801111196 Moscow PRAVDA in Russian 18 Jan 96 p 1

[Commentary by Boris Slavin: "Finally Dismissed"]

[FBIS Translated Text] Following Kozyrev and Filatov, Anatoliy Chubays, the last Gaydarist, the father of the voucherization that was so hateful to the people, so eternally pleased with himself, has fallen. He will go down in the history of the radical reforms as the irreplaceable magician who persuaded people that a simple piece of paper with a strange name was worth no less than two Volga cars.

In the end, the majority of people found themselves with no vouchers, never mind Volgas. At the same time, this cunning operation gave a few people the opportunity to legally privatize national property and soon enough travel about not only in Volgas but also in Mercedes.

The edict removing Chubays says that he had failed to carry out "a number of presidential instructions" and that he was "insufficiently exacting" with respect to institutions under his jurisdiction. In short, he had made a bunch of mistakes during the first phase of privatization. What mistakes were they? The edict does not speak about them in specific terms. Maybe it was the charge leveled by Chubays' old foe Luzhkov, who thinks that the leader of the privatization in Russia handed out state property for a song to extremely dubious people? If this is the case, then another question arises: What did the father of denationalization himself get out of this?

Polevanov, one of Chubays's successors in the post of privatization minister, called Chubays a "symbolic" figure for the West. Over there they believed that while he was in power, native and particularly foreign privatizers could rest easy. It is said that lying on the country's leader's desk is a report listing losses to the tune of billions from the privatization which Chubays is conducting. Is this not the main reason for his dismissal?

I called the former vice premier's press service and asked for a comment on the president's edict. I asked them what specific mistakes were taken into account. I was told that it would be better to ask for an explanation of the presidential apparatus, which prepared the edict.

Well, it is logical: For many years the president protected Chubays from opposition criticism. And in that sense he himself is responsible for the results of the dismissed man's actions.

Nevertheless, I consider this dismissal the consequence of the December elections, which the president cannot now ignore, being in the process of preparing for the summer election campaign himself. Say what you like, but the elections have put an end to the dominion of the neoliberal reformers in the government. We will soon see whether this means for good. In any event, with the departure of Chubays the president is once and for all removing the "democratic jacket" from his shoulders and trying on a uniform rather similar to the service jacket of a generalissimo. The tragedy in Kizlyar and Filatov's replacement with Yegorov in the post of chief of the staff confirm this.

However, to return to Chubays. They say that he first mastered the rudiments of the market economy when he was a flower seller. They also say that he was pretty good at this. Well, now he has the time to think about what he can do for a living. A word of advice: You should always do what you are best at.

New Duma Speaker Seleznev Interviewed on Plans

LD1801001396 Moscow Russian Television Network in Russian 2000 GMT 17 Jan 96

[From the "Vesti" newscast]

[FBIS Translated Text] [Correspondent R. Safronov] This evening Gennadiy Seleznev received congratulations on his election to the post of State Duma chairman.

[begin Seleznev recording] We did not strike any particular bargains with the other factions over the post of State Duma chairman. The leader of our faction simply met all the leaders of the other factions and convinced them — explained to them who I was and what I stood for — or rather explained to them what type of a person Seleznev is and why Yabloko and Russian Is Our Home have nothing to fear from him. [end recording]

[Safronov] The newly elected chairman of the State Duma claims his activities will be dominated not by party interests but by the state's general interests.

[begin Seleznev recording] Naturally, I am not going to leave the party, but it is another matter that the load of social work that I was carrying will now be removed from me. [end recording]

[Safronov] This means that Seleznev will quit the post of secretary of the Communist Party of the Russian Federation. Gennadiy Seleznev considers that deputies may set about their law-making work after the election of the deputy speakers and the committee chairmen. A proposal will be considered that the committee chairmen be elected for a term of two years and rotate. One of the first laws will be the law on the human rights plenipotentiary. The Duma will consider other legislative acts rejected by the president or by the Federation Council. One of the main topics in the immediate sittings of the Duma will be the Chechen crisis.

[begin Seleznev recording] As you know, there are constant rumors circulating to the effect that Chechnya needs to be expelled from Russia, allowed to get on alone, and so on. This would, in my opinion, be a very big mistake and this must under no circumstance be done. [end recording]

Daily Notes Primakov's 'Strong Position'

MM1701143796 Moscow KRASNAYA ZVEZDA in Russian 16 Jan 96 p 3

[Report by Aleksandr Golts: "Russian Diplomacy: Timetable for Tomorrow"]

[FBIS Translated Text] Yevgeniy Primakov came to his first press conference as head of the Russian diplomatic department with rather a tricky task. On the one hand, during the Foreign Ministry collegium session the previous day the president had declared that Russia's foreign policy course will remain unchanged. On the other, the new head of the Foreign Ministry nevertheless wanted to state his own vision of Russian foreign policy.

Primakov emphasized that he regards it as his main task to step up the Foreign Ministry's activity to defend national and state interests. The point is that Russia, despite the present difficulties, has been and remains a great power. And its policy in the outside world must be in line with this status. It is also a question of the need to create a foreign environment most conducive to development of the economy and democratic processes in Russian society. To be honest, for the last year or two every active politician, Andrey Kozyrev included, has deemed it his duty to talk of great Russia and its national interests.

But few people have ventured to flesh out these interests. Yevgeniy Primakov did so and named what he sees as the priority tasks of Russia's foreign policy. And his approach is indeed substantially different from what I used to hear in the Foreign Ministry press center. Suffice it to say that he gives pride of place to creating the best possible external conditions favoring the strengthening of our state's territorial integrity. The Chechen conflict, as is well known, has also demonstrated a clearly excessive desire on the part of external forces to participate in our purely internal affairs. The task of the Foreign Ministry will now be to prevent such interference.

The second priority is the strengthening of centripetal tendencies on the territory of the former USSR. Of course, Primakov stressed, there is no question and cannot be any question of reviving the Soviet Union in the form in which it used to exist. The sovereignty gained by the republics is irreversible. But this does not rebut the need for reintegration processes. Especially in the economic sphere. The future belongs to them. And it is no accident that the new foreign minister believes that his first foreign trips should be to CIS countries. At the very least, Yevgeniy Primakov's participation in the session of the CIS Council of Foreign Ministers convinced him that the reintegration process can be made more effective.

The third task is the stabilization of the international situation at the regional level. We have achieved great successes in stabilization at the global level by winning the "cold war" together with Western countries. It is now a matter of settling regional problems and internation, interethnic, and interstate conflicts. Above all on the territory of the CIS and in the former Yugoslavia. Russia, in Primakov's opinion, should also play a more prominent role in the Near East settlement.

In particular, asked about the prospects for a settlement of the Georgian-Abkhaz conflict, Primakov stated Moscow's extremely clear position: While reaffirming the need for preservation of Georgia's territorial integrity, Russia advocates that Abkhazia have a status providing it with distinctive development.

The fourth direction is the development of fruitful interstate relations preventing the creation of new hotbeds of tension and particularly the proliferation of weapons of mass destruction. The conference on nuclear safety that Russia is organizing must also play an important role in resolving the latter task.

Yevgeniy Primakov believes that Russia's external ties must be diversified. We must develop relations not only with the United States but also with European countries, the European Union, China, India, Japan, the Near and Middle Eastern countries, the states of Asia and the Pacific, and others. The foreign policy of Russia as a great state must operate on all continents. Notwithstanding this, everybody was naturally concerned to know whether the nature of relations with the USSR's former "cold war" adversaries will change. The new head of the Russian Foreign Ministry believes that the leading trend in our foreign policy will remain the development of multifaceted civilized relations between countries. However, Moscow is insisting on the need for equal (this was particularly emphasized), mutually advantageous cooperation taking into account each other's interests.

This desire to act toughly to uphold Russian interests was fleshed out when Yevgeniy Primakov, in response to questions, touched on the most acute problems in relations between Russia and the West. Above all the problem of NATO enlargement. I would note that out of all the arguments against expansion of the North Atlantic bloc, the leader of the foreign policy department used those connected with specific problems of military security. In Primakov's opinion, NATO enlargement is counterproductive for stability in Europe because it certainly creates a new geopolitical situation for Russia.

In particular, he recalled the elimination of intermediate-range missiles. This was a victory primarily because the missiles that were destroyed had very short flight times to vital targets on the territory then of the USSR, now of Russia. If you suppose purely hypothetically that tactical missiles with nuclear weapons will be stationed near Russia's borders, this would mean the elimination of the results we achieved by destroying intermediate-range missiles.

That is why, Yevgeniy Primakov believes, it is so important to prevent the NATO military infrastructure from advancing toward our territory. Here, he emphasized, we are not proceeding from the premise that NATO enlargement is being carried out in order to strike against Russia. But the geopolitical situation is a factor that influences the policy of any state. And we would not like the geopolitical situation for Russia to worsen.

Ratification of the START II treaty is yet another acute issue. The Foreign Ministry believes this treaty should be ratified. It is indeed very important to us. But there is talk in the U.S. Congress of the possibility of deviating from the ABM treaty. This is unacceptable to us. During his first meetings with U.S. representatives Yevgeniy Primakov intends to raise the issue of the need to preserve the ABM treaty in an unchanged form.

Primakov intends to uphold Russian interests just as definitely in relations with another leading power — Japan. The minister admitted that there is a territorial problem. But at the same time he advised Tokyo to display the same approach that Japan showed in settling the territorial dispute with China. Namely: It was decided to leave the issue for future generations. And in the meantime to develop relations in all spheres in order to create the conditions for solving this problem.

It has to be admitted that the foreign diplomats with whom I have been able to talk since Primakov's appointment by no means expect him to be an easy interlocutor. But, as a high-ranking representative of one leading state said to me, it is better to have a difficult partner who is a strong person with a clear position than an easy partner who is a weak person. And all the indications are that the new head of the Russian foreign policy department does indeed have such a position: "We would like to be friends with everyone, but this friendship must be based on a clear foundation of equality, recognition of one another's interests, and nonviolation of these interests." And that is a strong position.

Daily: Only 'Common Candidate' Can Beat Yeltsin

MM1701170196 Moscow PRAVDA in Russian 13 Jan 96 p 1

[Article by Boris Slavin: "Elections Over, Elections Ahead. Lining Up For the Presidency"]

[FBIS Translated Text] The first session of the new State Duma is being held 16 January. In this connection I asked Ivan Rybkin, speaker of the former Duma, what questions the first session of the new parliament will examine. Ivan Petrovich's opinion believes that the session will examine several questions, the most important of which are the results of the election campaign, a number of procedural matters, and of course the election of the Duma speaker.

As is well known, four factions and three groups have already been formed. The factions have been formed by the parties and movements which cleared the 5-percent hurdle in the December elections, namely the Communist Party of the Russian Federation [CPRF], Russia Is Our Home [NDR], the Liberal Democratic Party of Russia [LDPR], and Yabloko. In addition to the factions there are three deputies' groups with at least 30 deputies each. The group led by Chilingarov is already in operation: It includes such deputies as the former CPSU ideologist Dzasokhov, the neoliberal Khakamada, former vice premier Shakhray, and former social affairs minister Pamfilova. This group's ideological diversity makes it a highly unstable formation. There is also the People's Power group headed by Nikolay Ryzhkov, former chairman of the USSR Council of Ministers. It includes Svyatoslav Fedorov, Sergey Baburin, and other deputies who consider themselves center-left. The third group is the agrarians.

To all appearances the role of the deputies' groups in the Duma is little different from that of the factions. Their representatives will also take part in the formation of parliamentary committees and leading organs, including the Duma chairman and deputy chairmen.

The new Duma has not started work yet but the new preelection contest connected with the forthcoming presidential election has been launched. Contenders for the Russian presidency are springing up all over the place. It cannot be ruled that initially there will be as many of them as there were electoral associations in the Duma elections. There is only one comforting thought — that many of those contenders will soon drop out of the race because they will be unable to collect 1 million signatures.

The well-known politicians who have announced their intention to run for the presidency include Aleksandr Rutskoy from the Derzhava social-patriotic movement, Aleksandr Lebed from the Congress of Russian Communities, and the LDPR's Vladimir Zhirinovskiy. The organizations which support those candidates have already begun collecting signatures.

Who else might run for office initially? The December elections to the Duma clarified many things here. The representatives of the parties and movements which cleared or came close to clearing the 5-percent hurdle could be the prime contenders for office.

I think that there are only four political blocs which can realistically hope to contest the presidential election. They are the Communist bloc, the democrats' bloc, the patriots' bloc, and the so-called center-left bloc, whose representatives can hope to garner those votes which just fell short of the 5-percent mark in the Duma elections. I am informed that there are intensive negotiations underway among the various parties and associations in that bloc on the question of fielding a common candidate.

It is obvious to everyone that the representatives of the CPRF have the best chance of making it to the second round of voting in the presidential election. It will have no problems collecting the 1 million signatures and its activists have already learned how to conduct a political campaign, agitate, and work with the voters.

The Communists' main opponent in the forthcoming election will of course be the representative of the democratic parties and movements represented today by NDR and Yabloko. It is obvious that at the first stage the candidates from these associations will be nominated soon. In February Boris Yeltsin himself will announce his candidacy for the presidential election. I do not rule out the possibility that in that event NDR and Yabloko will transfer their votes to him and the democratic flank will thus be represented by a single candidate — the incumbent president.

It cannot be ruled out that in the final stage Zhirinovskiy will cast his votes in Yeltsin's favor in exchange for high office in the executive structures. It is also clear that the patriots will be unable to do that. They will simply be forced to form a bloc with the left and center-left parties.

Any serious student of politics will understand that the only way to defeat the incumbent president in the election is by joint efforts and by fielding a common candidate representing all left-wing forces, the center-left, and the patriots. This must be a truly national figure capable of winning votes from people of different convictions and preferences. The previous election figures show that. The 25 percent of the votes cast for the Communists plus the 15 percent of the votes cast for the center-left associations and the 10-12 percent cast for the patriots could form the absolute majority needed for victory in the presidential election. If that pooling of votes does not happen the presidential election will be very much like a "cockroach race," as one wag put it, which the president watches disdainfully as he coolly plots his victory. Given that he will have all the might of the modern mass media on his side (let us recall in this context the well-known "yes, yes, no, yes") [reference unknown], his rivals have food for thought here.

It is only by a pooling of efforts and the fielding of a common candidate representing all opposition forces that the present authorities can be defeated. To that end Yeltsin's presidential rivals will have to withdraw their candidacies in the final stage of the election at the very latest in favor of the strongest and most popular candidate.

We should be under no delusions here, of course. The present head of the executive could still cancel the election completely by staging something akin to a Kizlyar in Moscow, for example. Then Russia will have only one form of historical development left — it will have to live in conditions of a state of emergency and the one- man dictatorship of Russia's main "democrat." But in that case the question of power will be resolved not by elections, I believe, but by other means. It will be resolved by the people themselves, most probably out on the streets.

Latyshev Replaces Kulikov on Cossack Affairs Council

MM1701160896 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jan 96 p 6

[Russian Federation Presidential Edict 2 "On Making Changes to the Composition of the Cossack Affairs Council Under the Russian Federation President," signed by Russian Federation President B. Yeltsin in Moscow, the Kremlin, on 3 January 1996 — from the "Documents" section]

[FBIS Translated Text] Guided by Points 6 and 7 of the Statute on the Cossack Affairs Council Under the Russian Federation President, I decree:

The following changes are to be made to the composition of the Cossack Affairs Council under the Russian Federation president approved by Russian Federation Presidential Edict 2141 of 1 December 1994 "On Approving the Statute on the Cossack Affairs Council Under the Russian Federation President and Its Composition" (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, 1994, No. 32, p 3333):

A.N. Kulikov is to be removed from the said council;

P.M. Latyshev, Russian Federation deputy minister of internal affairs, is to be included on the said council.

[signed] B. Yeltsin, president of the Russian Federation [dated] 3 January 1996

Law on Foreign Intelligence Published

MM1801092196 Moscow ROSSIYSKAYA GAZETA in Russian 17 Jan 96 pp 4, 5

[Russian Federation federal law No. 5 "On Foreign Intelligence," signed by Russian Federation President B. Yeltsin in Moscow, the Kremlin, on 10 January 1996; adopted by the State Duma on 8 December 1995]

[FBIS Translated Text] This federal law defines the status of Russian Federation foreign intelligence, the fundamentals of its organization and functions, and the procedures for monitoring and overseeing its activity.

Chapter I. General Provisions

Article 1. Russian Federation foreign intelligence

The Russian Federation foreign intelligence as the aggregate of organs especially created by the state — Russian Federation foreign intelligence organs — is a component of the forces ensuring the Russian Federation's security, and its purpose is to protect the security of individuals, society, and the state against external threats using the methods and means defined by this federal law.

Article 2. Intelligence gathering activity

Intelligence gathering activity is performed by Russian Federation foreign intelligence organs by means of:

1) acquiring and processing information on actual and projected potential, actions, plans, and intentions of foreign states, organizations, and individuals affecting vitally important interests of the Russian Federation (hereinafter — intelligence information);

2) collaborating in the implementation of measures taken by the state in the interests of ensuring the Russian Federation's security.

The need to perform intelligence gathering activity is defined by the Russian Federation president and Federal Assembly within the limits of their powers, whenever it is impossible or inexpedient to ensure the Russian Federation's security by any other methods.

Article 3. Legal basis of intelligence gathering activity

The legal basis of intelligence gathering activity is provided by the Russian Federation Constitution, this federal law, other federal laws, and other normative legal acts of federal organs of state power concerning the Russian Federation foreign intelligence.

The Russian Federation foreign intelligence organs, within the limits of their powers and in compliance with the Russian Federation legislation, promulgate normative legal acts regulating their activity.

Article 4. Principles of intelligence gathering activity

Intelligence gathering activity is performed on the basis of the principles of:

1) separation of the powers of federal organs of executive power which are components of the forces ensuring the Russian Federation's security;

2) legality;

3) respect for human and civil rights and freedoms;

4) accountability to the Russian Federation president and Federal Assembly;

5) combination of overt and covert methods and means.

Article 5. Objectives of intelligence gathering activity

The objectives of intelligence gathering activity are:

1) to provide the Russian Federation president and Federal Assembly and the Russian Federation Government with the intelligence information they need for decision-making in the political, economic, defense, scientific, technical, and ecological spheres;

2) to ensure conditions promoting the successful implementation of Russian Federation policy in the security sphere;

3) to assist the country's economic development and scientific and technical progress and the ensuring of the Russian Federation's military-technical security.

Intelligence gathering activity cannot be performed in pursuit of antihumanitarian objectives or in the pursuit of objectives not provided for by this federal law.

Article 6. Powers of the Russian Federation foreign intelligence organs

In order to attain the objectives of intelligence gathering activity, the Russian Federation foreign intelligence organs are granted the following powers:

1) to establish on a confidential basis relations of cooperation with individuals who have voluntarily consented to this;

2) to implement measures to conceal the identity of its staffers and to organize their activity using different departmental affiliation for this purpose;

3) to use for conspiratorial purposes documents concealing the identity of its staffers and the departmental affiliation of Russian Federation foreign intelligence organs' subunits, organizations, premises, and transportation facilities;

4) to collaborate with federal organs of executive power engaged in counterintelligence activity and with Russian Federation federal organs of state protection;

5) to conclude with federal organs of executive power and with Russian Federation enterprises, institutions, and organizations any contracts necessary for the performance of intelligence gathering activity;

6) to organize and ensure within the limits of its powers the protection of state secrets in Russian Federation institutions located outside Russian Federation territory, including the definition of procedures for effecting physical, engineering, and technical protection of the aforementioned institutions and of measures to prevent leaks of information constituting state secrets through technical channel.

7) to ensure the security of staffers of Russian Federation institutions located outside Russian Federation territory and of members of their families in the state where they are stationed;

8) to ensure the security of Russian Federation citizens who are posted outside Russian Federation territory and, by virtue of the nature of their work, have access to information constituting state secrets, as well as the security of members of their families who are accompanying them;

9) to collaborate with intelligence gathering and counterintelligence services of foreign states according to the procedure prescribed by this federal law;

10) to set up specialized training establishments, further training institutions, scientific research organizations and archives, and the publication of specialized literature;

11) to ensure its own security, in other words to protect its manpower, facilities, and information against illegal actions and threats;

12) to set up the organizational structures (subunits and organizations) necessary for the functioning of the Russian Federation foreign intelligence organs.

In order to perform its activity, the Russian Federation Foreign Intelligence Service can issue its own licenses and certificates to acquire, develop (with the exception of cryptographic protection systems), create, and utilize information systems, communications systems, data transmission systems, and systems to prevent information leaks through technical channels.

Article 7. Financing and material and technical backup for Russian Federation foreign intelligence organs

The Russian Federation foreign intelligence organs are financed from federal budget funds. Estimates of expenditure for the upkeep of Russian Federation foreign intelligence organs are examined at closed sessions of the appropriate committees (subcommittees) of the Federal Assembly chambers and are approved at closed sessions of the State Duma and the Federation Council.

Material and technical backup for Russian Federation foreign intelligence organs is provided from the Russian Federation's centralized resources and through the acquisition of necessary material and technical means from enterprises, institutions, and organizations.

The Russian Federation foreign intelligence organs can own their own official housing stock, acquired according to procedures to be prescribed by the Russian Federation Government.

Article 8. Protection of information about the Russian Federation foreign intelligence organs

Any person to be given access to information about the Russian Federation foreign intelligence organs undergoes the procedure for permitting access to information constituting state secrets, unless a different procedure is prescribed by federal laws. This procedure includes the signing of a written pledge not to disseminate this information. Any breach of the aforementioned pledge results in liability as prescribed by federal law.

Documents from the archives of Russian Federation foreign intelligence organs, which are of historical and scientific value and are declassified according to the federal law, are transferred for permanent storage at Russia's State Archive Service.

Documents of the Russian Federation foreign intelligence organs which contain information about their staff members, about individuals who are (have been) rendering confidential assistance to Russian Federation foreign intelligence organs, or about the methods and means used by these organs are stored in the archives of the Russian Federation foreign intelligence organs.

Article 9. Contacts between Russian Federation foreign intelligence organs and the Russian Federation public

In order to inform the public about their activity, the Russian Federation foreign intelligence organs and their staffers establish contacts with public associations, mass media, and Russian Federation citizens through the appropriate services to be set up for this purpose within the structure of the aforementioned organs.

Material supplied to mass media about the activity of Russian Federation foreign intelligence organs must not contain information constituting state secrets.

There must be no dissemination of any information affecting the personal life, honor, and dignity of citizens which has been acquired by Russian Federation foreign intelligence organs in the process of performing their activity, except in cases envisaged by federal law.

With a view to preventing any possible use of mass media to publicize information about Russian Federation foreign intelligence organs constituting state secrets, the authors of material about the Russian Federation foreign intelligence prepared for publication, or the editorial offices of mass media which have received such material, are entitled to request an expert opinion from the appropriate Russian Federation foreign intelligence organ which, in any such case, should determine the presence of absence of any of the aforementioned information in the material in question and notify the author or the mass medium's editorial office of its opinion.

Any publication by the mass media of material about the Russian Federation foreign intelligence containing information constituting state secrets and resulting in the dissemination of such information, or of information which does not correspond with reality and inflicts moral or material damage to Russian Federation foreign intelligence organs and their staffers, results in liability as prescribed by federal law.

Chapter II. Organization of the Activity of Russian Federation Foreign Intelligence Organs

Article 10. Creation of Russian Federation foreign intelligence organs

Intelligence gathering activity is performed by Russian Federation foreign intelligence organs which are either autonomous or parts of the structure of other federal organs of executive power.

The creation, reorganization, or abolition of an autonomous Russian Federation foreign intelligence organ takes effect according to the procedure to be prescribed by the federal law regulating the formation of federal organs of executive power.

Decisions on the creation, reorganization, or abolition of a Russian Federation foreign intelligence organ as part of a federal organ of executive power are made by the Russian Federation president on submission by the leader of the relevant federal organ of executive power.

Statutes on Russian Federation foreign intelligence organs are approved by the Russian Federation president.

Article 11. Spheres of Russian Federation foreign intelligence organs' activity

Intelligence gathering activity is performed, within the limits of their powers, by:

1) the Russian Federation Foreign Intelligence Service — in the political, economic, military-strategic, scientific, technical, and ecological spheres, as well as in the sphere of ensuring the security of Russian Federation institutions located outside Russian Federation territory and of Russian Federation citizens posted outside Russian Federation territory who, by virtue of the nature of their activity, have access to information constituting state secrets;

2) the Russian Federation Ministry of Defense foreign intelligence organ — in the military, military-political, military-technical, military-economic, and ecological spheres;

3) the foreign intelligence organ of the Federal Government Communications and Information Agency under the Russian Federation president — in the political, economic, military, scientific, and technical spheres through the use of radio-electronic means;

4) the foreign intelligence organ of the Russian Federation Federal Border Service — in the sphere of protecting the Russian Federation state border, the Russian Federation's exclusive economic zone, and the Russian Federation's continental shelf.

Intelligence gathering activity by Federal Security Service organs is performed in collaboration with Russian Federation foreign intelligence organs and in compliance with the Federal Law "On Federal Security Service Organs in the Russian Federation."

Article 12. Leadership of the Russian Federation foreign intelligence organs

Overall leadership of the Russian Federation foreign intelligence organs is exercised by the Russian Federation president.

The Russian Federation president:

1) sets the tasks of intelligence gathering activity;

2) monitors and coordinates the activity of Russian Federation foreign intelligence organs;

3) makes, within the limits of powers set by federal laws, decisions on questions concerning the Russian Federation foreign intelligence, including questions on the expediency of concluding interdepartmental contracts between Russian Federation foreign intelligence organs and the intelligence gathering and counterintelligence services of foreign states;

4) appoints the leaders of Russian Federation foreign intelligence organs.

Article 13. Methods and means of intelligence gathering activity

In the process of intelligence gathering activity, the Russian Federation foreign intelligence organs can use overt and covert methods and means, whose special nature is determined by the conditions of this activity.

The methods and means used in intelligence gathering activity must not harm people's lives or health or damage the environment.

The use of methods and means for intelligence gathering activity against Russian Federation citizens on the territory of the Russian Federation is not permitted.

For the purpose of attaining the objectives of intelligence gathering activity, the Russian Federation foreign intelligence organs are empowered to use information systems, video and audio recordings, moving and still photography, the downloading of information from technical communications channels, and other methods and means in line with the requirements posed by Paragraph 2 of this Article.

The procedure for the use of covert methods and means for intelligence gathering activity is prescribed by federal laws and normative legal acts of the Russian Federation foreign intelligence organs.

The contents of normative legal acts on questions concerning the use of covert methods and means for intelligence gathering activity constitute a state secret.

The ensuring of their own security is effected by Russian Federation foreign intelligence organs in accordance with the Federal Law "On Operational Investigative Activity."

Article 14. Supply of intelligence information

Intelligence information is supplied to the Russian Federation president, the Federal Assembly chambers, the Russian Federation Government, and to federal organs of executive and judicial power, enterprises, institutions, and organizations defined by the Russian Federation president. Intelligence information can also be supplied to federal organs of executive power which are part of the forces ensuring the Russian Federation's security.

The leaders of Russian Federation foreign intelligence organs are personally responsible to the Russian Federation president for the veracity and objectivity of intelligence information and the promptness of its delivery.

The leaders and other officials of federal organs of legislative, executive, and judicial power and of enterprises, institutions, and organizations, the Federation Council members, and the State Duma deputies who are supplied with intelligence information are liable, as prescribed by federal law, for any dissemination of its contents which constitute state secrets or expose the sources of the information in question.

Article 15. Principles and forms of collaboration among Russian Federation foreign intelligence organs, and between Russian Federation foreign intelligence organs and federal organs of executive power engaged in counterintelligence activity, federal organs of the Russian Federation state protection, and intelligence gathering and counterintelligence services of foreign states

The principles and forms of collaboration among Russian Federation foreign intelligence organs, and with federal organs of executive power engaged in counterintelligence activity and federal organs of the Russian Federation state protection are defined by Russian Federation legislation and the agreements concluded on its basis.

Mutual relations between Russian Federation foreign intelligence organs and the intelligence gathering and counterintelligence services of foreign states are established on the basis of the Russian Federation's international treaties, including treaties of an interdepartmental nature.

Within the framework of established mutual relations, official representatives of Russian Federation foreign intelligence organs can travel to foreign states according to a procedure prescribed by the Russian Federation president.

Article 16. Mutual relations between Russian Federation foreign intelligence organs and federal organs of executive power, enterprises, institutions, and organizations in the Russian Federation

The federal organs of executive power render assistance to Russian Federation foreign intelligence organs in the performance of their intelligence gathering activity provided such assistance does not involve any deviation from the basic guidelines for the activity of the aforementioned federal organs of executive power. Any reimbursement of expenses incurred on the provision of such assistance is effected from federal budget funds.

The procedure for collaboration between Russian Federation foreign intelligence organs and federal organs of executive power on questions concerning the provision of assistance to Russian Federation foreign intelligence organs in the performance of intelligence gathering activity is prescribed by the Russian Federation president.

The conditions governing mutual relations between Russian Federation foreign intelligence organs and federal organs of executive power, enterprises, institutions, and organizations in the Russian Federation are determined by appropriate contracts.

Chapter III. Legal Status of and Social Protection for Staffers of Russian Federation Foreign Intelligence Organs and Persons Rendering Assistance to These Organs

Article 17. Military servicemen and staff employees [sluzhashchiye kadrovogo sostava], as well as nonstaff [ne vkhodyashchiye v kadrovyy sostav] military servicemen, employees, and workers who have volunteered for military service or work in these organs respectively are staffers of the Russian Federation foreign intelligence organs.

Citizens of the Russian Federation who, by virtue of their professional skills, age, education, and state of health, can perform the duties assigned to them can be staffers of the Russian Federation foreign intelligence organs.

Military servicemen in the Russian Federation foreign intelligence organs come under the effect of federal laws governing the performance of military service with due consideration for the specific provisions prescribed by this federal law and other federal laws and conditioned by the specific nature of the functions performed by the military servicemen in question.

The performance of military service in Russian Federation foreign intelligence organs takes effect by conscription or by contract. The conclusion of contracts with military servicemen performing military service on Russian Federation territory is effected according to the procedure prescribed by the Russian Federation Law "On Military Duty and Military Service." The procedure for conclusion of contracts with students at the Russian Federation foreign intelligence organs' higher educational establishments or with military servicemen being posted outside the Russian Federation's territory, and for the performance of these contracts is prescribed by departmental normative legal acts. Provision may be made for the parties' material liability for nonperformance of the contract's conditions.

The upper age limit for performance of military service by a military serviceman on the staff of the Russian Federation foreign intelligence organs is set by the leader of the autonomous Russian Federation foreign intelligence organ or the leader of the federal organ of executive power whose structure incorporates the Russian Federation foreign intelligence organ, according to the procedure prescribed by the Russian Federation president, but any such limit cannot be below the upper age limit prescribed by federal law.

The rights, obligations, and benefits envisaged by Russian Federation labor legislation extend to employees and workers of Russian Federation foreign intelligence organs.

Staff employees of and military servicemen with the Russian Federation foreign intelligence organs cannot belong to public associations pursuing political goals.

Nonstaff employees of Russian Federation foreign intelligence organs and workers of Russian Federation foreign intelligence organs cannot set up public associations pursuing political goals.

Article 18. Staff of the Russian Federation foreign intelligence organs

The staff of Russian Federation foreign intelligence organs includes military servicemen appointed to appropriate duties and employees of the Russian Federation foreign intelligence organs whose functional duties are directly associated with the performance of intelligence gathering activity. The staff organizational table is defined by the statute on the relevant Russian Federation foreign intelligence organ.

Information about specific individuals being on the staff of Russian Federation foreign intelligence organs, including former staffers of these organs, constitutes a state secret and can be disseminated only with permission from the leader of the Russian Federation foreign intelligence organ and, in cases not involving any official necessity, subject to mandatory written consent by the individuals in question.

In order to perform their functional duties, staffers on the Russian Federation foreign intelligence organs' staff can, in compliance with the demands of this law and without disclosing their affiliation with Russian Federation foreign intelligence organs, hold office in federal organs of executive power, enterprises, institutions, and organizations. Officials in the aforementioned federal organs of executive power, enterprises, institutions, and organizations are liable, in accordance with federal laws, for any dissemination of information about these staffers' affiliation with Russian Federation foreign intelligence organs.

Staffers on the Russian Federation foreign intelligence organs' staff are not permitted to participate covertly in the activity of organs of legislative (representative) or judicial power or of public associations and religious organizations in the Russian Federation for the purpose of influencing the nature of their activity.

Staffers on the Russian Federation foreign intelligence organs' staff are not allowed, unless required to do so by official necessity, to take on another paid job except to engage in teaching, scientific, or other creative activity with the consent of the leader of the appropriate Russian Federation foreign intelligence organ.

Article 19. Persons rendering confidential assistance to Russian Federation foreign intelligence organs

In order to attain the objectives of intelligence gathering activity, Russian Federation foreign intelligence organs can establish relations of cooperation on an unpaid or paid basis with capable adults who have voluntarily consented to render confidential assistance to Russian Federation foreign intelligence organs. The procedure for mutual relations with such persons is prescribed by normative legal acts of the Russian Federation foreign intelligence organs.

The Russian Federation foreign intelligence organs are not empowered to request confidential assistance from Federation Council members, State duma deputies, deputies of legislative (representative) organs of Russian Federation components, justices of Russian Federation courts and prosecutors at all levels in the Russian Federation, or clerics or plenipotentiary representatives of religious organizations officially registered in the Russian Federation.

Information about persons who are (have been) rendering confidential assistance to Russian Federation foreign intelligence organs constitutes a state secret and is not subject to declassification following the expiry of the maximum permitted time period for classification of information constituting a state secret. Access to such information is available only to the leader and to duly authorized staffers of the appropriate Russian Federation foreign intelligence organ.

Measures can be taken to ensure the security of persons who are (have been) rendering confidential assistance to Russian Federation foreign intelligence organs and members of their families, provided such measures do not infringe the rights and legitimate interests of other persons.

The procedure for implementing such measures is prescribed by the Russian Federation president.

Article 20. Legal status of Russian Federation foreign intelligence organs' staffers

Staffers of Russian Federation foreign intelligence organs bear the responsibility and enjoy the rights envisaged by Russian Federation legislation for Russian Federation citizens, except for the limitations imposed by federal laws.

Military servicemen, employees, and workers with Russian Federation foreign intelligence organs enjoy the protection of the state. Nobody, except organs and officials directly authorized to do so by federal laws, has the right to interfere with the service activity of staffers of Russian Federation foreign intelligence organs.

Protection of the life, health, honor, dignity, and property of staffers of Russian Federation foreign intelligence organs and members of their families against illegal encroachments and threats in connection with the performance of intelligence gathering activity is ensured by Russian Federation foreign intelligence organs according to the procedure prescribed by federal laws.

The status of staffer of a Russian Federation foreign intelligence organ cannot be utilized for purposes that are incompatible with his functional duties.

Article 21. Liability of Russian Federation foreign intelligence organs' staffers for breaches of the law

Staffers of Russian Federation foreign intelligence organs are liable for any breaches of the law they have committed, in accordance with federal laws.

Affiliation with a Russian Federation foreign intelligence organ and involvement in the performance of intelligence gathering activity do not relieve a staffer of a Russian Federation foreign intelligence organ of liability under the federal laws.

Article 22. Social protection for staffers of Russian Federation foreign intelligence organs and members of their families

The social protection of staffers of Russian Federation foreign intelligence organs and members of their families is guaranteed by federal laws.

All staffers on the staff of these organs enjoy mandatory state personal insurance, paid from federal budget funds, to a sum equal to 15-years' earnings.

Any damage caused to the health of a staffer on the staff of a Russian Federation foreign intelligence organ or members of his family in connection with the performance of intelligence gathering activity is compensated in full from federal budget funds. These same funds are used to pay the aforementioned persons a one-shot payment, being the equivalent of between one year's and seven years' earnings, determined on the day the payment is made and depending on the degree of disability suffered.

In the event of the death of a staffer on the staff of a Russian Federation foreign intelligence organ or a member of his family in connection with the performance of intelligence gathering activity, the state pays the costs of the preparation to transport and the transportation of the remains to a place of burial either specified in a will or designated by the next of kin (in the absence of next of kin, by the leadership of the Russian Federation foreign intelligence organ), as well as the costs of burying the remains of the Russian Federation foreign intelligence organ's staffer. The family of the deceased is paid a one-shot payment equivalent to 15-years' earnings calculated on the day the payment is made. In addition to this, the family of the deceased enjoys preferential treatment in the solution of any questions concerning social and everyday life provisions according to the procedure prescribed by federal laws.

The state is bound to take all possible steps to assist in the unconditional release of any staffer on the staff of a Russian Federation foreign intelligence organ and members of his family detained, arrested, or sentenced outside Russian Federation territory in connection with the performance of intelligence gathering activity.

If a staffer on the staff of a Russian Federation foreign intelligence organ loses all or part of his professional suitability as a result of being exposed or for other reasons beyond his control, the Russian Federation foreign intelligence organ is obliged to find a job for the staffer in question or create conditions for his professional retraining, including compensation for any expenditure incurred in this connection.

Any property damage suffered by a staffer on the staff of a Russian Federation foreign intelligence organ and members of his family in connection with the performance of intelligence gathering activity is reimbursed by the state from federal budget funds in accordance with Russian Federation civil legislation.

In the event of nonstaff staffers of Russian Federation foreign intelligence organs being involved in the one-shot performance of intelligence gathering tasks, and such staffers suffering the consequences listed in Paragraphs 3-7 of this Article, the staffers in question enjoy the rights, benefits, and privileges provided for staffers on the staff of Russian Federation foreign intelligence organs.

Article 23. Social protection for persons who are (have been) rendering confidential assistance to a Russian Federation foreign intelligence organ

Any person who is (has been) rendering confidential assistance to a Russian Federation foreign intelligence organ and is not a citizen of the Russian Federation can be granted citizenship of the Russian Federaion if he applies for it according to the procedure prescribed by federal laws.

The period of cooperation with a Russian Federation foreign intelligence organ by a person who has been granted citizenship of the Russian Federation is included in his length of service record. Social protection for such a person is provided in accordance with Paragraphs 3-7 of Article 22 of this federal law.

Social protection for a person who is (has been) rendering confidential assistance to a Russian Federation foreign intelligence organ and who is not a citizen of the Russian Federation is provided in accordance with a procedure to be prescribed by the Russian Federation president.

Chapter IV. Monitoring and Oversight of the Activity of Russian Federation Foreign Intelligence Organs

Article 24. Parliamentary monitoring of the activity of Russian Federation foreign intelligence activity

Parliamentary monitoring of the activity of Russian Federation foreign intelligence organs is exercised according to the procedure prescribed by federal laws and by means of audits by the Russian Federation Comptroller's Office of the implementation of expenditure estimates approved by the State Duma and Federation Council for the upkeep of Russian Federation foreign intelligence organs. The Russian Federation Comptroller's Office is to create a special group from among its members for this purpose.

The aforementioned group is empowered to request from Russian Federation foreign intelligence organs documents on questions concerning the implementation of expenditure estimates and to hear reports by leaders of Russian Federation foreign intelligence organs on these questions at its closed sessions.

Mutual relations between the Federal Assembly chambers and Russian Federation foreign intelligence organs are effected through the appropriate committees (subcommittees) to be set up by each chamber.

The members of the aforementioned committees (subcommittees) and of the Russian Federation Comptroller's Office special group and staffers of their apparatuses are empowered to embark on the performance of their duties to exercise the functions envisaged by this Article only after they have determined access to information constituting state secrets according to the procedure prescribed by the Russian Federation Law "On State Secrets."

Federation Council members and State Duma deputies receive information about the Russian Federation foreign intelligence organs exclusively through the appropriate committees (subcommittees) of the Federal Assembly chambers.

The activities of Federation Council members, State Duma deputies, and staffers of the Federal Assembly chambers' apparatuses must not pose any threat of disseminating information about persons who are (have been) rendering confidential assistance to Russian Federation foreign intelligence organs, about the affiliation of specific individuals to the staff of Russian Federation foreign intelligence organs, and about the methods and means used by these organs.

Article 25. Prosecutor's oversight

Oversight regarding compliance with federal laws by Russian Federation foreign intelligence organs is exercised by the Russian Federation general prosecutor and by prosecutors authorized by him.

Information about persons who are (have been) rendering confidential assistance to Russian Federation foreign intelligence organs or about the organization of Russian Federation foreign intelligence organs and the methods and means used by them in their activity are not subject to prosecutor's oversight.

Chapter V. Final Provisions

Article 26. Coming into force of this federal law

This federal law comes into force on the day of its official publication.

The following Russian Federation legislative acts are deemed to have lapsed from the moment this federal law comes into force:

1) Russian Federation Law "On Foreign Intelligence" (VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV ROSSIYSKOY FEDERATSII I VERKHOVNOGO SOVETA ROSSIYSKOY FEDERATSII, 1992, No. 32, p 1869);

2) Russian Federation Supreme Soviet decree of 8 July 1992 "On Bringing Into Force the Russian Federation Law 'On Foreign Intelligence'" (VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV ROSSIYSKOY FEDERATSII I VERKHOVNOGO SOVETA ROSSIYSKOY FEDERATSII, 1992, No. 32, p 1870).

The Russian Federation president is to be asked, and the Russian Federation Government is to be instructed, to bring their normative legal acts in line with this federal law.

[signed] Russian Federation President B. Yeltsin
[dated] Moscow, The Kremlin, 10 January 1996

Daily Issues 'Corrections' to List of Duma Deputies

MM1701134596 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jan 96 p 6

[Unattributed report: "Correction" — from the "Documents" section]

[FBIS Translated Text] In the Lists of Deputies Elected to the Russian Federation Federal Assembly State Duma, Second Convocation (RG for 6 January 1996) inaccuracies were let through by the Central Electoral Commission for technical reasons.

On page 5 the section "No. 36 Rubtsovskiy Single-Seat Electoral District" should read:

"36. Nikolay Fedorovich Gerasimenko, born 1950, Altay Kray Administration Health Care Committee chairman, place of residence: Barnaul. Nominated by voters."

On page 6 the section Moscow City, No. 201 Universitetskiy Electoral District should read: "201. Pavel Grigoryevich Bunich, born 1929..." [as published] further according to the text.

Yeltsin Edict Formalizes Republics' New Names

MM1701131396 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jan 96 p 6

[Russian Federation Presidential Edict No. 20 "On Including the New Names of Russian Federation Components in Article 65 of the Russian Federation Constitution," signed by Russian Federation President B. Yeltsin in Moscow, the Kremlin, on 9 January 1996 — from the "Documents" section]

[FBIS Translated Text] In connection with the change of the names of the Ingush Republic and the Republic of North Ossetia to the Republic of Ingushetia and the Republic of North Ossetia-Alania respectively, guided by Article 80 and by Part 2 of Article 137 of the Russian Federation Constitution, I decree:

1. The new names of components of the Russian Federation — the Republic of Ingushetia and the Republic of North Ossetia-Alania — are to be included in Part 1 of Article 65 of the Russian Federation Constitution instead of the names the Ingush Republic and the Republic of North Ossetia.

2. When reprinting the text of the Russian Federation Constitution, the Russian Federation Presidential Staff is to take account of the new names of components of the Russian Federation in accordance with Point 1 of this edict.

3. This edict comes into force the day it is published.

[signed] B. Yeltsin, president of the Russian Federation

[dated] 9 January 1996

Military & Nuclear Issues

Military's Nuclear Safety Practices Defended

MM1801100296 Moscow KRASNAYA ZVEZDA in Russian 16 Jan 96 p 2

[Article by Nikolay Poroskov under the "Topical Theme" rubric: "Will 'Doomsday' Dawn in Russia?"]

[FBIS Translated Text] Lieutenant General Sergey Zelentsov, retired, a consultant to the Russian Defense Ministry's 12th Directorate (in charge of nuclear munitions), put an ordinary "Bella" dosimeter on the desk in an office in the building on the Arbat. Three times the electronic meter registered eight microroentgens instead of the "normal" 17. However, if you take into account the tone of the articles written in some newspapers, the background reading at the General Staff ought to be much higher and outside the building military units should be on the verge of a number of Chernobyls. That name, which has been used before as an image of the apocalypse, has recently begun to appear in the press again.

The charge being leveled at the military is that the protection of nuclear munitions is unreliable, the level of cadres' specialist training is low, the effect of nuclear materials on people and the environment is not being analyzed, and so forth. The Federal Inspectorate for Nuclear and Radiation Safety [Gosatomnadzor] inspectorate is particularly unhappy with Russian Presidential Directive No. 350 of 26 July 1995, which deprived it of the right to monitor the military department's radiation safety. This is why, according to Gosatomnadzor specialists, military units "pose an extreme radiation threat to the Russian population" which, furthermore, is "even greater than for our potential enemy." The situation is astonishingly similar to the one that military chemical troops find themselves in (see KRASNAYA ZVEZDA 10 January this year) when again the need for "civilian control," "social control," followed presumably by international control, is being insistently urged. Incidentally the Americans, who would possibly like to impose this kind of control, have already visited a number of installations belonging to the Defense Ministry's No. 12 Directorate and have officially stated: The protection is secure.

The entire life cycle of nuclear weapons — from the blueprint stage to incineration after the charge has been destroyed — is under constant supervision. If you think about it sensibly it is hard to imagine how it could be otherwise — there is too much at stake. To be terminologically exact, munitions are not scrapped but returned to the "ammunition niche" where they came from — the enterprise which manufactured them. In the entire history of the USSR's and Russia's nuclear weapons the only time that this rule was broken was when two munitions sank when the Komsomolsk nuclear submarine went down. Their maintenance logs are being kept to this day.

Ill-informed people quite often confuse the concepts of nuclear safety and radiation safety. Even a gold isotope has a certain radioactivity but is incapable of triggering a chain reaction and is harmless to people. Nuclear charges have a certain radiation background but do not pose that kind of danger either. Explosives are placed inside the solid casing of the projectile which in turn is housed inside another casing and the whole thing is then placed inside a container. In this way both radiation and fire safety are ensured during transport. When stationary the projectiles are kept in deep storage facilities which are protected even against aviation bombs. The 150-tonne doors (there are several of them) cannot be penetrated even by a shaped-charge projectile and can only be opened from the command center if you know the code. The author of these lines once had the good fortune to visit the so-called local zone and saw for himself that it is impossible to steal a warhead from there.

Most people who talk about nuclear terrorism regard the transport of nuclear munitions as the weak link — this is where theft is likely, they say. The convoy, consisting of armored trucks, is under secure protection including by infantry fighting vehicles and helicopters patrolling overhead. But even if you assume that a projectile falls into the hands of terrorists they will not be able to use it. According to Major General Aleksandr Frolov, chief of a directorate of the Defense Ministry's 12th Main Directorate, before it can be used a projectile has to be completely rebuilt. It is possible to blow it up it using a TNT charge [tolovoy zaryad] but that will not produce a nuclear explosion, the only thing that could happen is that the casing will be destroyed and the radioactive material will be vaporized.

The attitude that many authors take toward the nuclear weapons monitoring system is pretty superficial — they talk exclusively about the Defense Ministry. However, at the apex of this "pyramid" stands the Russian Federation president along with the commission on the comprehensive solution of nuclear weapons problems headed by Prime Minister Viktor Chernomyrdin and Mikhaylov, the head of the Ministry of Atomic Energy, as his deputy. In the military department itself there is an inspectorate, and in the branches of the Armed Forces there are special directorates and departments while in units there are instructors. In industry supervision is entrusted to the military delivery and acceptance system while the Ministry of Atomic Energy in turn provides manufacturer's servicing [avtorskiy nadzor] at military installations. They are all guided by the state standard system. We can add here the supervision provided by the Federal Security Service [FSB], the State Committee for Sanitary and Epidemiological Supervision (monitoring of the design, construction, and operation of installations), the Health Ministry (monitoring of personnel health), the Prosecutor's Office, and the environmentalists (monitoring radiation levels outside installations).... In all these years the Defense Ministry has not had to pay a single kopek in fines.

Gosatomnadzor is indeed leaving this multilayered monitoring system. But as Georgiy Kaurov, director of the Ministry of Atomic Energy's Public Relations Center, has said, it has more than enough work to do already: supervision of nuclear electric power stations, the nuclear fuel cycle, nuclear waste, sources of ionizing radiation scattered around the country... Thus the aforementioned presidential directive is quite justified.

A minimum of three people work with munitions: One reads the instructions, the second performs the operation, and the third supervises the other two. Specialists are trained in one type of munition alone. All this precludes their unauthorized use of destructive weapons.

Not only do some of our fellow countrymen seriously expect a nuclear explosion somewhere in the heart of Russia, they are also gripped to an even greater extent by "radiation phobia." In a popular newspaper, Aleksandr Kanygin, a spokesman for Gosatomnadzor, wrote about "suspicious military convoys marked 'Radiation Hazard' which appeared on the highway recently in Yaroslavl Oblast." According to the Defense Ministry's 12th Main Directorate, there is not a single nuclear munition in that oblast. Nevertheless, the author prophesies an ominous "doomsday."

Defense Ministry nuclear specialists offer a perfectly logical explanation for this outbreak of "radiation phobia." On April 20 there is going to be a meeting of the G-8 which will discuss the question of the safety of nuclear installations, including military ones, their protection, and the smuggling of nuclear materials. Russia has already formed at state level an organizing committee and the working group of the Atomic Energy Ministry which is preparing documents and proposals for the president. A certain section of the press is making its contribution too, shaping public opinion in advance and preparing the ground for the corresponding decisions of the upcoming summit. The only question is: Will they benefit Russia?

Federal Assembly

Duma Urges 'Adequate Response' to Chechen Terrorism

LD1701190996 Moscow ITAR-TASS in English 1833 GMT 17 Jan 96

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, January 17 (Itar-Tass) - Russia's new Duma urged the government to think of an adequate response to Chechen terrorism.

"The last actions by (Chechen separatist leader Dzhokhar) Dudayev and his hirelings in the North Caucasus where they used the extreme forms of terrorism necessitate an adequate response to and measures to stop these crimes," the Duma said in a statement.

The statement, adopted after a discussion of the situation in the Dagestani village of Pervomayskoye and the Chechen conflict in general, calls on the government "to prevent unjustified actions which may put at risk or lead to the death of innocent people."

The statement, adopted by a 301-24 vote with eight abstentions, said that the lower house of parliament "has taken the tragedy in the North Caucasus with deep concern."

The events in Kizlyar and the village of Pervomayskoye and the terrorist act against the passengers of the Russian ferry Avrasya in Turkey "have shaken Russia and the international community."

"We regret to state that hostage-taking, primarily with regard to women and children, is becoming a norm of behaviour for Dudayev forces," the statement said.

The deputies recalled that the previous Duma had repeatedly called for a peaceful resolution of the conflict in Chechnya, "but practically none of the house's decisions on the settlement of the crisis in the Chechen republic addressed to the president and the government of Russia was taken into account."

The Duma condemned the manifestations of political and armed terrorism and called on the Russian people to show wisdom and restraint.

The deputies expressed condolences to the people of Dagestan over the killing of innocent people and their families.

They stressed the need to "study, in the near future, the entire set of issues associated with the struggle against terrorism and measures to ensure the safety of people and Russia's territory."

Party Leaders View Ferry Seizure

LD1701180496 Moscow INTERFAX in English 1700 GMT 17 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 17 (Interfax) - Leader of Russia's Communist Party Gennadiy Zyuganov told Interfax in the State Duma today that the seizure of the Avrasya ferry in Turkey "is a link in one chain of weakening authority, the circulation of weapons in the country and banditry."

In his opinion, the taking of hostages outside Russia is a reproach to the Western European and other parliamentarians and statesmen, "who supported the policy pursued by the Kremlin leaders."

"This policy has led to the circulation of weapons, tensions, and the spreading of terrorism around the world," he said.

"If weapons are distributed and circulated without any control today, you may be sure they will be used tomorrow," he said criticizing the federal government.

Leader of the LDPR faction Vladimir Zhirinovskiy said that the gunmen who had taken hostage Russian citizens on board the Avrasia ferry must be dealt with rigorously.

He told Interfax Wednesday that "the Turkish ambassador to Russia must be told that if the hostages are not freed within 72 hours, response measures would be taken."

"We shall help the Kurds," he said.

"Pressure must be put on the Turkish government to get it to take rigid measures to free the hostages and bring the extremists to a Turkish court," said Zhirinovskiy.

"All countries must work together to combat terrorism," he said.

Leader of the Our Home is Russia faction Sergey Belyayev abstained from comments.

ITAR-TASS Profiles New Duma Speaker Seleznev

LD1701174696 Moscow ITAR-TASS in English 1726 GMT 17 Jan 96

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW, January 17 (Itar-Tass) - The State Duma (lower house of the Russian legislature) on Wednesday elected Gennadiy Seleznev, 48, its chairman.

Seleznev, nominated by the Communist Party, received 231 votes in his support thus surpassing the required number of 226 votes necessary for the election.

Duma ex-speaker Ivan Rybkin, supported by the pro-government Our Home is Russia bloc and some independents, got 150 votes whereas Vladimir Lukin from the liberal Yabloko faction received only 50.

On Tuesday [16 January], Seleznev lacked just seven votes to get elected.

Seleznev was born on November 6, 1947 in the town of Serov, Sverdlovsk region. On completing his military service he was engaged in Komsomol activity in Leningrad (St. Petersburg). In 1974 he graduated from the Leningrad University and started working for the regional youth newspaper Smena, finally becoming its editor-in-chief.

Since 1980, Seleznev headed the editorial board of the paper Komsomolskaya Pravda and since 1988 that of the paper Uchitelskaya Gazeta.

In early 1991, he became first deputy editor-in-chief of the communist daily Pravda and later that year its editor-in-chief.

In December 1993, Seleznev was elected State Duma deputy and in January 1995 he became deputy chairman of the house.

He is married and has a daughter.

Communists Not To Seek Confidence Motion in Government

LD1701211796 Moscow ITAR-TASS in English 2036 GMT 17 Jan 96

[By Igor Zhukov]

[FBIS Transcribed Text] MOSCOW, January 17 (Itar-Tass) — The communist faction in the Duma is satisfied with the personnel changes in the government and has no intention of bringing a motion of no-confidence in the Cabinet in the near future, the Duma speaker Gennadiy Seleznev said on Wednesday [17 January].

"We believe that (First Vice-Prime Minister Anatoliy) Chubays' resignation and the president's statement stressing the need to immediately begin paying wages and pensions set a positive tendency and give hope that the government and the president are turning their reforms toward the majority of the population," Seleznev told journalists as he was marching out of the assembly hall where minutes ago he was elected as the Duma's speaker.

The new speaker stressed that "the communists did not and will not dictate their conditions where a compromise is possible."

Speaking about future cooperation with the president and the government, the speaker stressed the need to take into the count the fact that "the president has begun a serious reshuffle in the government" and it is necessary to see "what proposals the renovated government of Viktor Chernomyrdin will make."

The premier said that many social issues need to be reconsidered and the president has described as admissible delays in the payment of wages and salaries, Seleznev said.

This is basically what the Communist Party demands, he added.

"At any rate, we are not going to raise the question of no- confidence in the government tomorrow," the speaker said.

At the same time, he noted that he would support the idea to begin the procedure of impeachment of the president, just like last summer, if the law "allows me to continue this procedure."

However, with six months before presidential elections "we have no right to start impeachment proceedings," he added.

He stressed that the war in Chechnya is the "biggest political mistake" made by the present government. "All these wars are a very painful blow to the Russian economy, let alone their moral side," he said.

He believes that the deputies will have to return to the events in Chechnya and Dagestan many times, adding that this theme "will be dominating in the Duma in the near future."

He pointed out that he sees his main task in considering and implementing about 500 draft laws left over from the previous Duma.

Seleznev said that as the Duma speaker he will stand above party interests because "those deputies who are not members of the communist faction will not understand me if I start lobbying its interests."

State Duma Elects Five Deputy Speakers

LD1801115496 Moscow ITAR-TASS in English 1127 GMT 18 Jan 96

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW, January 18 (Itar-Tass) — Five Vice-Speakers of the State Duma were elected today by members of the Lower House of the Russian Parliament. All the five were elected by one vote. Three hundred and fifty-nine MPs voted for them, 56 — against, and one Duma member abstained.

Aleksandr Shokhin, member of the "Russia is Our Home" faction became First Vice-Speaker. The Vice-Speakers include Svetlana Goryacheva of the Communist Party of the Russian Federation, Mikhail Gutsiriev of the Liberal-Democratic Party of Russia, Artur Chilingarov from the "Russian Regions" group, and Sergey Baburin from the "People's Power" group.

The "Yabloko" faction decided not to nominate its candidate to the post of Vice-Speaker. Grigoriy Yavlinskiy, leader of this faction, motivated this step by its objection to having two communists in the Duma leadership — the Speaker and Vice-Speaker. In turn, Speaker of the State Duma Gennadiy Seleznev explained that one vacancy would nevertheless be reserved for the "Yabloko" faction. "The members of that faction are apt go back on their decision within a month or so," he noted.

The MPs are to elect one more vice-speaker later on, who will be charged with ethnic problems.

NDR Hit for 'Destructive Policy' in New Duma

MM1801123996 Moscow PRAVDA in Russian 18 Jan 96 p 1

["Own Information" report: "Why the NDR and the LDPR Voted With Their Feet"]

[FBIS Translated Text] Yesterday the CPRF [Communist Party of the Russian Federation] faction in the State Duma made a statement assessing the first steps taken in the new parliament's work. It notes that the first day's work of the State Duma, Second Convocation, has shown that the party of power and its allies are continuing with their destructive policy at any price. This time within the walls of the parliament itself. Dissatisfied with the results of the first round of voting on candidates for State Duma chairman, the NDR [Russia Is Our Home] and LDPR [Liberal Democratic Party of Russia] factions ostentatiously refused to participate in further voting, left the hall, and rushed onto television with accusations against their political opponents.

These are attempts to hamper normal work by the Duma deputies from the very outset and provide a reason for a new twist to the spiral of persecution of a legally elected parliament and the destruction of collaboration among the branches of power. The initiators of these shameful actions are representatives of the bloc headed by the government chairman and acting in virtual alliance with the LDPR. Whereas in the past the LDPR leader distanced himself in what he said from the ruling regime, today his close union with the government has become an obvious fact.

In the face of this, resolutely rejecting any attempts to impose on the State Duma a futile and adventurist line aimed at confrontation, the CPRF faction once again states its firm intention to conduct political dialogue with all factions and deputies' groups. The destructive actions by extremist right-wing forces in the parliament should be countered by unified, constructive work by the deputy corps.

Columnist Views Yabloko's Accord With CPRF

MK1801114096 Moscow NEZAVISIMAYA GAZETA in Russian 18 Jan 96 p 2

[Analysis by Grigoriy Nekhoroshev: "Yavlinskiy Accuses Television. 'Yabloko' Leader Gets Fruit as Present"]

[FBIS Translated Excerpt] [Passage on Yavlinskiy getting a red apple from a journalist as a gift for his "marriage with the Communists" omitted] "Television has unleashed a campaign against the 'Yabloko' faction. We are being accused of a mercenary accord in the name of getting posts, positions and portfolios and of supporting for this end the faction which has in the Duma a majority regardless of its party affiliation," Yavlinskiy stated. He went on to say, "We are looking for a long political life and are supposed to demonstrate our political essence."

To demonstrate the essence, "Yabloko" decided against taking part in the repeat voting. As a result, Communist party representative Gennadiy Seleznev ended up seven votes short of filling the post of Duma chairman.

The whole issue of "accords on fundamental questions" between the CPRF [Communist Party of the Russian Federation] and "Yabloko" factions" flared up following a number of statements of "Yabloko's" Vladimir Averchev and Vyachealav Igurnov on their being in sympathy with "moderate and sensible" CPRF members.

Vladimir Averchev told your NEZAVISIMAYA GAZETA observer yesterday, "There is a minority in the CPRF faction who realize that there is no going back to the past. They realize that the CPRF should be reformed into a party suitable for normal civilized communication. If the position of speaker passes to them, they will gain a foothold for fruitful work within the faction. One of such people is Gennadiy Seleznev."

He observed that a similar view is held in "Yabloko" by "perhaps five, seven or ten people." Yet, should the faction make a collective decisions, they all will abide by it.

You cannot say Mr. Averchev is politically illogical. The new Duma's political reality is such that even "consistent democrats" cannot avoid talking with the CPRF. "Yabloko's" unwillingness to vote for Ivan Rybkin indirectly shows that Mr. Yavlinskiy also realizes this. As a Duma "controller" Mr. Rybkin is by far much better than Mr. Seleznev. Electing him, however, will anger the Duma's biggest faction, whose members believe, not without grounds, that the main questions should be solved precisely by them. [passage omitted]

Regional Affairs

Anti-Terrorism Team Set Up in Chuvashia

LD1701174796 Moscow ITAR-TASS World Service in Russian 0734 GMT 17 Jan 96

[By ITAR-TASS correspondent Valentina Ivanova]

[FBIS Translated Text] Cheboksary, 17 Jan (ITAR-TASS) — A working group on the prevention of possible acts of terrorism by Dudayev's people in the republic has been set up in Chuvashia. It is headed by Enver Ablyakinov, chairman of the republic's government. Special monitoring of security provision at the most important economic installations has been instituted.

Security Forces Have Mozdok 'Under Control'

LD1801112496 Moscow ITAR-TASS World Service in Russian 1448 GMT 17 Jan 96

[By ITAR-TASS correspondent Valeriy Shanayev]

[FBIS Translated Text] VLADIKAVKAZ, 17 Jan (ITAR-TASS) — Soslan Sikoyev, North Ossetia's deputy interior minister, has said that the republic's interior ministry and federal forces have the situation around Mozdok under control. He denied media allegations that Dudayevite gangs had been spotted on the move near this town.

In an ITAR-TASS interview the deputy minister noted that Mozdok was a key target for the Dudayevites. The town is a major transport junction in the Northern Caucasus. It has an airport. It is the start of the trunk gas pipeline which runs from the North Caucasus to Transcaucasia. Therefore, Soslan Sikoyev said, all utilities, roads and bridges across the Terek River have been given special protection. "Mobile police units are operating in close contact with federal troops, with the district administration and local forces of the Terek Cossack Host. The aim of these efforts is make Mozdok safe," he said.

'Conflict Expert' Views Terrorism in Caucasus

LD1701222796 Moscow NTV in Russian 2100 GMT 17 Jan 96

[From the "Today" at Midnight program]

[FBIS Translated Text] Conflict expert Natalya Mirimanova thinks that the situation in the North Caucasus may not turn out to be so dangerous, provided the Russian authorities behave in a competent manner:

[Mirimanova] As for the spreading of terrorism, in particular, in the North Caucasus, I don't think that this will happen, naturally provided military matters are organized competently, but there are no serious psychological reasons for the involvement of other Caucasian peoples, in my view. I don't even think that a blood feud, which could arise as a result of the events in Kizlyar if inhabitants of Dagestan died, will play such a fateful role. The same is true, in my view, of the Cossacks.

Tatars Recruit Volunteers To Aid Chechen Fighters

LD1701211896 Moscow INTERFAX in English 1628 GMT 17 Jan 96

[FBIS Transcribed Text] KAZAN, Jan 17 (INTERFAX-Eurasia) — "The Tartar Public Center (TPC) has started recruiting volunteers to help the fraternal Chechen people by fighting on behalf of (separatist leader) Dudayev," TPC president Marat Mulyukov told Tartar nationalists picketing the Kazan Kremlin Wednesday.

According to Mulyukov, some people have already enlisted. Interviewed by INTERFAX-Eurasia, he declined to specify their number or the possible procedure of sending them to Chechnya.

The TPC wanted to picket the Tartar president's residence but the police did not allow the pickets inside the Kazan Kremlin walls.

Dozens of people stood at the entrance to the Kazan Kremlin for over an hour holding posters with slogans such as "Only fascists carry out criminal order given by Yeltsin," "People of Chechnya, we are with you in your just struggle," and "Keep all the taxes within Tatarstan. Stop financing the murder of the Chechen nation."

CPRT Nominates Gabdrakhamov for Tatar President

MM1701101796 Moscow PRAVDA in Russian 16 Jan 96 p 4

[Report by Nikolay Morozov under the "Own News Bureau" rubric: "Sympathy for Communist Principles"]

[FBIS Translated Text] The current congress of the Communist Party of the Republic of Tatarstan [CPRT] in Kazan has nominated director of the "Kazanskiy Ukrusnyy Zavod" joint-stock company Ramil Gabdrakhmanov as a candidate for the post of the republic's president. The candidate for the republic's supreme post is not a member of the CPRT, but according to statements in the press he "sympathizes with communist principles." He holds the following views: Tatarstan should remain a component of the Russian Federation; it is essential that the government be formed exclusively on the basis of the ministers' professional qualities; private property has the same rights as state property; religion should be regarded in a calm manner. In reply to the question, how does the candidate for the post of president intend to "deliver" the republic from the crisis, he said that he would "cut all channels through which the national wealth is removed" and first of all introduce a sensible taxation policy.

Belyayev To Run for Mayor of St. Petersburg

MK1701144696 Moscow NEZAVISIMAYA GAZETA in Russian 17 Jan 96 p 2

[Report by Besik Pipiya: "Former Senator Aleksandr Belyayev Plans To Become Mayor. No Law on Mayoral Elections Has Been Passed Yet, but Candidates Are Already Exchanging 'Compliments'"]

[FBIS Translated Text] Former senator Aleksandr Belyayev has made a statement that has long been expected by pollsters, announcing his intention to run for the post of St. Petersburg mayor. At the same time, Belyayev emphasized that he would make a definitive decision after the law on mayoral elections, currently under consideration at the St. Petersburg legislature, is passed. "The law may turn out to be undemocratic, so running for office would be simply indecent," Belyayev said. For the time being it is only known that the draft law on electing city head calls for a two-round election and requires a candidate for the mayoral post to be at least 27 years old and to reside in St. Petersburg at least one year before the vote.

Addressing the St. Petersburg branch of the Russian-American Press Center, Belyayev summed up the results of the upper house's work. Over two years, it considered 240 draft laws, of which 170 were approved. Belyayev pointed out that the former lineup of the Federation Council was particularly well balanced. Even such antipodes as Chernichenko and Starodubtsev could find a common language. There are fears that the new upper house of the Russian parliament may degenerate into a "get-together" that will only meet to reject legislation passed by the State Duma.

St. Petersburg Mayor Anatoliy Sobchak had a different view of the former Federation Council's performance, however. In his view, the new lineup of the upper house will work much better because it will not be made up of casual people, among whom he mentioned St. Petersburg deputies Yuriy Boldyrev and Aleksandr Belyayev, but regional leaders.

According to observers, relations between Sobchak and Belyayev went sour after Belyayev had won a lawsuit against the mayor, who is a doctor of law, over a statute on elections for the city legislature. By the way, the "casual" Belyayev returned the compliment by painting the following portrait of Sobchak: "Initially, he attempted to reorganize everything. Then he started behaving like Catherine the Great, who kept changing her favorites — he first lavished authority on his darlings and then gradually ousted them. Now he has taken up the management of general problems."

Public opinion polls conducted now and again in St. Petersburg have shown that today the trio of the most likely candidates for the post of mayor includes Anatoliy Sobchak, Yuriy Boldyrev, and Vyacheslav Shcherbakov, former St. Petersburg deputy mayor. The last two have not announced their desire to run for mayor yet. Aleksandr Belyayev may narrow the gap dividing him from them significantly if he is nominated by the St. Petersburg branch of "Yabloko," the party which has been topping the list of St. Petersburg residents' preferences for a third year now. This was also confirmed by the results of a telephone poll that has just been conducted by the SNITS polling company in St. Petersburg.

When asked to answer the question of "Whom of the candidates listed below would you vote for if election for Russian president were held now?" 21 percent of the 990 respondents preferred Yavlinskiy; 15, Yeltsin; 9, Chernomyrdin; 6, Zyuganov; and 3, Zhirinovskiy. A total of 46 percent of those polled have not yet made up their minds.

Kuban Signs Treaties With Crimea, North Ossetia

MM1701155996 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jan 96 p 2

[Report by Vladimir Udachin: "Help Strengthens Friendship"]

[FBIS Translated Text] Krasnodar — The Kuban Administration has signed friendship and cooperation treaties with the autonomous Republic of Crimea and the Republic of North Ossetia-Alania.

The treaties provide for the broad development of mutual economic, scientific, and cultural ties. In particular, the treaty with Crimea proposes the organization of joint fishing, cooperation in the sphere of grape growing, the restoration of the ferry link across the Kerch Strait, and the creation of free economic zones at Kerch and Temryuk.

A representative delegation from Moscow headed by Mayor Yuriy Luzhkov has been to the Republic of Adygea. The sides concretized the cooperation agreement signed earlier. An increase in deliveries of agricultural produce to Moscow is envisaged. Muscovites in turn will create a modern packaging production facility in the republic, will help to open up deposits of curative mineral waters, and will build a sanatorium.

Draft Volgograd Charter Reveals 'Soviet-Period Values'

*MK1801074496 Moscow MOSKOVSKIYE NOVOSTI in Russian
No. 2, 14-21 Jan 96 (Signed to press 15 Jan 96) p 3*

[Unattributed report: "Soviets Once More.... Draft of Volgograd's First Charter Published in Local Press"]

[FBIS Translated Text] Based on a decision by the city Duma, which was the author of the document, the charter was submitted to townspeople for judgment. The draft "basic law" of the city stresses that "acting on the mandate of voters and taking into account Volgograd's historical traditions, the Duma will be known henceforth as the City Soviet of People's Deputies." Discussion of the draft charter will last for a week, following which the city deputies are to pass it taking into account comments and suggestions. A first quick poll of Volgograd citizens revealed that the draft contains many debatable, controversial provisions which are out of keeping with Russian legislation. In particular, they deal with the rights of the Duma and the popularly elected mayor, with municipal property, budget, and taxes. Nearly half the respondents negatively assess the attempts by Communist deputies to revive Soviet-period values, such as reports [otchety] and mandates [nakazy]. Remarkably, the draft charter saw the light of day on the one hundredth day following the election of the Volgograd City Duma.

Primorye Governor Comments on Chubays' Resignation

*LD1701144896 Moscow INTERFAX in English
1332 GMT 17 Jan 96*

[FBIS Transcribed Text] VLADIVOSTOK, Jan 17 (INTERFAX-Eurasia) — Yevgeniy Nazdratenko, governor of Primorye Territory in the Russian Far East, is not so happy with the resignation of First Deputy Prime Minister Anatoliy Chubays.

The governor told INTERFAX-Eurasia his tense relations with Chubays resulted from "his direct and open disagreement with the policy of the First Deputy Prime Minister, which failed to take into account Primorye interests." Nazdratenko stressed he "never felt bad about Chubays as a person."

He wished Chubays' successor to take into account the position and mood of regions, although the economic policy is formed in Moscow.

Being first deputy prime minister, Chubays repeatedly criticized the Primorye administration for the critical condition of the local fuel and energy complex. In his turn, Nazdratenko accused the federal authorities of allocating little money for the complex.

Nazdratenko frequently said he is a strong opponent of the privatization policy held for several years by the Russian State Property Committee headed by Anatoliy Chubays.

Economic Issues

Panskov Holds News Conference on Budget Revenue

MM1801095396 Moscow TRUD in Russian 17 Jan 96 p 2

[Report by Lyudmila Pertsevaya: "Budget Is Law Which Is Compulsory for Everyone from President to Ordinary taxpayer"]

[FBIS Translated Text] When Finances Minister Vladimir Panskov's press conference was coming to an end he was asked whether he includes himself among the "saboteurs" who in the Russian president's opinion are ignoring Yeltsin's instructions and thus undermining the economy? To which Vladimir Georgiyevich replied somewhat nervously that he does not consider himself a saboteur and he recently carried out an analysis to see whether Boris Nikolayevich's instructions had all been fulfilled and was satisfied with the analysis. And he immediately added several figures to his answer: Over the course of the year the Ministry of Finances had received 150 instructions from the country's president and 25,000 from the government leadership. Thus every day his department receives an average of 70 instructions connected in one way or another with the allocation of finances. So that he sometimes has to say in reply to the president that the budget does not provide for the expenditure of money on this instruction and there is no money. And there is nothing you can do about it — the law is there to be executed.

As soon as expenditure on one item is increased underfinancing for another is to be observed. For instance, the State Duma adopted a law on raising the minimum wage by 54 percent and immediately 12 trillion rubles [R] had to be found for the purpose. The Pension Fund had failed to collected a sum of R20 trillion from taxpayers and R6 trillion had to be taken urgently from the treasury to pay the next pensions to the elderly.

But where is this money to be taken from? It was intended to collect R175 trillion in taxes but only two-thirds of this amount reached the treasury. Enterprises have become so crafty in avoiding the "tax collectors" that whoever you look it, there are only bankrupts all around. If you hand the case over to arbitration, the money is found immediately. It is clear after all that they are putting their capital into a second or third account and they present the tax inspectors with an empty "official" account.

"We realize that many plants and factories have indeed been drawn into the nonpayments crisis," Mr. Panskov admitted. "Sometimes even the government pays the state order late. But we have sought to eliminate this trouble through mutual offsetting of debts and we reduced debts by R19 trillion. We acted in the same way with those enterprises of the fuel and energy complex which provided the army with energy and heat. But it is impossible to cover the undercollection of taxes solely by this means. And if you also consider that the IMF funds (about R19 trillion) arrived late because the 1995 budget was adopted late, then it becomes clear that some suffer because of the lack of discipline of others.

This time the government has not resorted to the aid of the printing press and thanks to a tough monetarist policy inflation has been successfully curbed. In December it was scarcely over 3 percent and that is already real stabilization. A part of the budget deficit has been extinguished through skillful work by the Ministry of Finances on the stock market: The profitability of operations with securities was high enough and made it possible additionally to bring in over R11 trillion to the treasury.

Indeed, half the sum envisaged in the initial scenario has been collected from privatization. Yet the opposition members asserted with one voice that we should be in no hurry to sell off the "national wealth" and the process of privatization should be long and thoughtful. After that the Duma reviewed the plan figures and reduced them to R4.2 trillion. Had it not been for the drastic conflict with "Svyazinvest" that indicator would have been met. But national interests would have suffered. The State Committee for the Management of State Property, counter to the opposition's opinion, came to the defense of national interests and the plan was fulfilled 88 percent, which in general is not terrible.

V. Panskov was asked many questions about how the government's position and the 1996 budget would be corrected in connection with the presidential elections and Yeltsin's instruction to "give the reforms a social orientation." As befits a minister of finances he replied that any correction should be within the framework of stipulated sums of expenditure and revenue. If we can spend only R437 trillion then no one will manage to double that sum. We already have more than enough debts, V. Paskov said.

Let us add to this that it is quite simple to replace ministers with more obedient ones. But as soon as a new leadership with new instructions appears zealous executors of any orders from the top bosses will appear and the budget will crack at the seams and its fragments can bury any good intention.

IMF To Continue Work on Russian 1996 Economic Program

LD1701141496 Moscow INTERFAX in English 1332 GMT 17 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 17 (INTERFAX) — Head of the IMF mission Yusuke Horiguchi reaffirmed the mission's intention to continue working on the 1996 economic program together with Russian government officials, head of the Russian Ministry of Finance's Macro-economic Department Oleg Vyugin told INTERFAX. This morning he met mission members at the ministry.

The IMF proceeds from the fact that the agreement to work on the program was reached with Russian First Deputy Prime Minister Anatoliy Chubays "in his official capacity," noted Horiguchi. Thus, the IMF will not revise this agreement after the resignation of Chubays. The program will be used to consider an expanded credit to Russia.

Technical preparations for an agreement on the expanded credit to Russia can be completed during the two-week Moscow stay of the IMF mission, said Vyugin.

If the agreement is signed, Russia will receive about $9 million worth of credit within three years. The money will be used to upgrade the Russian market infrastructure. The credit will be issued on a number of conditions, fulfillment of which will require a consistent policy of financial and economic stabilization from the Russian government.

Today the IMF mission will also meet heads of the Russian Central Bank, sources told INTERFAX.

Official Says Chubays Resignation Will Affect IMF Talks

LD1701212296 Moscow INTERFAX in English 1705 GMT 17 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 17 (INTERFAX) — The resignation of Anatoliy Chubays, first deputy prime minister, has significantly reduced the government's potential to attain its own economic goals, Andrey Illarionov, director of the Economic Analysis Institute said at a news conference in Moscow Wednesday.

Illarionov described Chubays as a genius of administrative management. He said that Chubays could achieve results in his field no other high official is capable of.

Illarionov believes that Chubays's fundamental error was not failure to have his underlings do their duty or to carry out presidential decrees but his staying in the government even after January 1994 when Yegor Gaydar left it. Chubays, said Illarionov, stayed in the government under those who have nothing to do with democracy or reforms.

Illarionov believes that this error is now being made by other members of the government's economic team.

Asked by INTERFAX how Chubays' resignation will influence the talks with the International Monetary Fund about a large credit, Illarionov said that the IMF will continue its policy vis-a-vis Russia until June 1996.

Ministry's Draft Plan To Regulate Wages Seen as Unworkable

MM1801153096 Moscow TRUD in Russian 12-18 Jan 96 p 2

[Article by Lyudmila Pertsevaya: "How To Net Everybody in a Wage Scale"]

[FBIS Translated Text] If you believe that your prosperity depends on how hard you work and your wages depend on agreements with the boss, let me tell you straight away that you're under something of a misapprehension here. A considerable role in determining future prosperity is played by the executive branch, meaning our government. For example, two fundamental documents with a direct bearing on your pocket and your future wages are currently being finalized in different government offices at the same time.

One of them is the new Tax Code, which is intended to substantially simplify and optimize the entire taxation system, coordinate its disparate elements, and bind them together in an integrated whole. The draft Tax Law makes provision, in particular, for the abolition of the notorious tax on above-norm wages expenditure. (Incidentally this tax has not been operational since 1 January 1996). At one time the executive, when fighting inflation, attempted to use this tax to keep wages, which were galloping in the wake of prices, at a certain level. But virtually nothing came of this noble venture. "Black" and "white" wages departments emerged in virtually all enterprises and firms, and there was an enormous shortfall in funds due to the state treasury and pension funds. Russian entrepreneurs completely refused to recognize state regulation. Enterprises failed to pay wages for months but workers nevertheless did not quit in the hope of better times to come. And banks and commercial firms gobbled up as much as their appetites would allow.

After this a decision was made to abandon the tax altogether. Every entrepreneur was to be allowed to determine for himself whether to eat into his capital today or lay the foundation for future development.

But the certainty that no firm can survive without being told what to do gives bureaucrats no peace. The Ministry of Labor is formulating a draft new law "On the Wage-Scale Regulation of Earnings," to be applied to the private as well as the state sector ofd the economy. This law envisages the adoption of "wage scale rates allowing for the complexity and conditions of work broken down by groups of type of production." A three-tier model for approving these rates is laid down. First a general agreement between the government, an all-Russia association of employers, and an all-Russia association of trade unions would be compiled. After this the wage rate agreement would be adopted at the sector and regional levels.

As soon as the documents in question are signed they would become mandatory for literally all firms irrespective of their form of ownership and size of incorporation capital. And the Prosecutor's Office, the Ministry of Labor, and trade union inspectors would strictly monitor whether wages are paid in accordance with the prescribed wage-scale rates.

All pretty wonderful, but the question arises: Who is going to dictate the rules of the game, the actual wage scale? OK, we have an association of employers — the "Russian Business Roundtable" — but there are also the Association of Joint Ventures and the Russian Merchant Assembly. And there are also dozens (if not hundreds) of other associations with national ambitions. The situation is approximately the same at the regional level: Who from Siberia would sign such an agreement with the government — the "Siberian Union," "Siberian Accord," or the Siberia and Far East Entrepreneurs' Club? Another essential piece of knowledge is that many directors do not recognize any associations at all and are not even in sector associations and that, by contrast, the local unions of "red directors" are at daggers' drawn with private firms. And in the trade union field too there has been no hierarchy of associations and unions for some time now.

Another reason why the law will turn out to be yet another "stillborn" document is that the previously adopted law "On Collective Contracts and Agreements" proved ineffective since it proved impossible throughout 1995 to demarcate the functions of the individual types of agreements (general, regional, and sector) or coordinate them in terms of when they should be concluded. And the General Wage Rate Agreement was not even officially passed to enterprises and organizations. And people in not only private enterprises but many state ones simply refused to conclude collective wage contracts. Leaders are trying to agree with their collectives on "living according to the circumstances": If there are orders and they get paid for, wages go up; if there's no money we tighten out belts a bit. It is simply stupid to imagine that in this situation everyone can be put back in a wage cell (sorry, grade) on the instructions of a trade union inspector. It is strange that such proposals can spring at all from the depths of a reformist government. It can only be hoped that they will meet a happy end in the same place, these same depths.

British Economist Forecasts Upsurge for Russian Economy

MK1801085696 Moscow SEGODNYA in Russian 17 Jan 96 p 2

[Report by Aleksandr Bekker: "Professor Layard Is Forecasting Bright Future for Russian Economy. The British Expert Believes That An Upswing Will Begin in 1996"]

[FBIS Translated Text] Instead of a traditional analysis of the current state of Russian economy, Professor Richard Layard of the London School of Economics presented his forecast for 1996 at his news conference yesterday. In his opinion, the government's forecast of inflation at a level of 1.9 percent a month is "fully justified" because it has a sound foundation, provided, first of all, by the fact that the budget has been adopted. Second, the election of Sergey Dubinin chairman of the Central Bank guarantees that a rational monetary policy will be pursued. Third, limits of the currency corridor have been set till the middle of the year, which, by itself, is restraining inflationary expectations. Finally, Mr. Layard hopes that the negotiations of the [Russian] government with the IMF on granting Russia in March an EFF [preceding abbreviation in English] credit in the amount of $9 billion for the period of three years will be successful.

The foreign consultant regards the prospects of the real economy sector as very encouraging. He has doubts as to the correctness of official statistics indicating a fall in GDP by 3 percent last year. The professor, on the basis of a comprehensive analysis of the level of private consumption and state resources, the volume of investment, and positive trade balance, drew a conclusion that GDP did not shrink. As for 1996, "it will be the first year of an industrial growth by 2 to 4 percent." Mr. Layard's conclusion is based on the analysis of all parameters of demand: "A rise in private consumption, and, to a limited extent, exports will be the principal motive force here." The scholar is not expecting any marked rise in investment in the near future. Because of political uncertainty, total volume of investment will remain at a level of about $100 billion a year. Although Russian exports will continue to grow, unlike in East European countries, this will fail to become a locomotive of economic upsurge. The British professor is linking the would-be industrial boom with a rise in private consumption, caused by a fall in inflation and, correspondingly, reduction in savings.

According to Mr. Layard, the above trend "will ensure an industrial upswing in Russia at the rate of 5 percent per year till the end of the century." While so saying, the economist emphasized several times that all of his forecasts are based on the steadiness of the main elements of the present course pursued by Viktor Chernomyrdin's cabinet. Mr. Layard refused to answer the reasonable question of how a probable victory of the Communists in the presidential election will affect the situation in the country and said that this would be a topic for a press conference in February. The only comment which the London expert ventured to give yesterday sounded like this: "The economic program of the Communists can hardly be carried out even if Mr. Zyuganov becomes president."

The professor attributed the optimism of his forecasts as compared even with the forecasts of governmental agencies to the fact that he was "more independent." For instance, the Economics Ministry is forced to be overcautious: Say, while making a budget, it will not overestimate the level of tax revenues and will not set expense items of the budget too high.

December Sees Lowest Post-Reform Consumer Inflation

MM1801110296 Moscow ROSSIYSKAYA GAZETA in Russian 17 Jan 96 p 2

[Unattributed report "based on Russian State Committee for Statistics Price Statistics Administration figures": "Household Soap Up In Price. Whatever For?"]

[FBIS Translated Text] The increase in consumer prices in December 1995 was the lowest since the start of the reforms, at 103.2 percent.

The biggest rise in the cost of consumer goods and services over the month was in cities of the Northwest economic region (4.1 percent). Consumer prices changed least in the East Siberian and Northern regions at 2.6 and 2.7 percent, respectively.

For the first time since the start of the reforms, the summer slowdown in consumer price growth was sustained in the fall and winter period in 1995. The average monthly rate of consumer price increases in the first six months was 10.1 percent; in the second half of the year it was 4.4 percent, and in the year as a whole it was 7.2 percent.

In December fruit and vegetables saw the biggest price rises: fresh cabbage 20 percent up; potatoes 14 percent, and apples 12 percent.

Flour, bread, and baked goods and certain types of groats products as well as canned fruit and berries and juices for babies saw the biggest increases at 3.1 to 3.5 times.

The average cost in Russia of the basket of 19 main foodstuffs as of 31 December was 231,500 rubles [R] per month — an increase of 4.4 percent in the previous month and 2.3 times over the year. Throughout the year the maximum basket cost was to be found in the cities of the Far East and the minimum cost in the cities of the Volga and Central Chernozem regions. The most significant increase in the cost of the basket over the year was in Arkhangelsk, Astrakhan, Yakutsk, Barnaul, and Orenburg — 2.6-2.8 times; and the smallest in Murmansk and Tyumen — 1.8 times.

Wool and cotton cloth, some types of fall and winter clothing for adults and children, and medicines saw the biggest price increases in December at 4-7 percent. There was practically no change in average prices of gasoline during the month.

Russian-made tobacco products, household soap, and some types of medicines increased in price more than anything else in 1995 at 3- 3.9 times. Television and radio goods and also carpets and floor coverings saw the smallest price increase over the year (1.7 times).

Business Sees Some Cause for Optimism

MM1801104796 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jan 96 p 11

[Report by Maksim Zarezin: "...We Will Also Live Through Stabilization"]

[FBIS Translated Text] Experts from the Russian Chamber of Commerce and Industry have concluded in the latest annual "Russian Enterprise" report that the stabilization processes do inspire a vague optimism.

Paradoxes of the Strengthening Ruble

The conclusions contained in the report are based on the results of research by various scientific schools, the opinions of a wide range of entrepreneurs, and proposals from territorial chambers, unions, and associations belonging to the Russian Federation Chamber of Commerce and Industry. The report states that the economic situation remains extremely complex and contradictory. There is a tendency for inflation to fall, and at the same time a new factor has emerged for an increase in the money supply — the conversion of dollars into rubles in connection with the stabilization of the Russian currency. As is known, the latter has led to a drop in the efficiency of exports. Growth in inflation could stimulate a record bad harvest and, thus, a possible increase in the prices of bread and food as a whole. The Chamber of Commerce and Industry experts point out that the 1996 budget, just as last year, has understated the forecast inflation indicators — which will lead to an increase in budget revenue, opening up to the government the possibility of making additional expenditure.

The report's authors draw attention to the depth and scale of the slump in the investment sphere — the physical volume of production capital investments last year came to less than 20 percent of the 1990 level. This was caused, in particular, by a failure to make a timely and adequate revaluation of fixed capital, whose deterioration stands at 50 percent, and to carry out an indexation of working capital. The government decision on the indexation of depreciation allotment has not yet had an impact on the actual situation.

Analyzing the situation in the banking sphere, the Chamber of Commerce and Industry experts point out that even before the August crisis one bank in every five was making a loss and that the incorporation capital of over half of them did not exceed 500 million rubles.

There is quite a large proportion of banks whose shareholders — large sectoral structures — impose on them a policy of irrational protectionist credit provision, which, in the opinion of the report's authors, is becoming the scourge of our banking system. Also typical of the period of falling inflation is the growth in hopeless debts, since many recipients of credits count on the growth in prices continuing and end up insolvent when the rate of inflation falls.

The Chamber of Commerce and Industry believes that the banking crisis, on the one hand, will step up consolidation and improve the quality of the work of viable small and medium banks, while, on the other, there will be an increase in mergers and in the swallowing up of weak banks by strong ones.

What Kind of Emission, Creator!

In the opinion of the Chamber of Commerce and Industry experts, the main investment functions of the stock market are in embryo mainly as a consequence of the fact that, unlike the rest of the world, the circulation of state securities in Russia is 10 times greater than that of corporative securities.

The delay in production stabilization and in the start of production growth will increase the danger that it will not be possible to float new issues of state securities in sufficient quantities to repay the previous ones, and the noninflationary method of covering the budget deficit will turn into an inflationary one, exacerbating the crisis state of the economy.

The dynamics of the growth in budgetary expenditure on servicing the state debt are quite impressive: 5.6 percent of the total volume of budgetary expenditure in 1994; 9.2 percent in 1995; and 13.1 percent of the 1996 draft budget. In order to prevent inflationary budget funding under these conditions, the state has been forced to reduce (sequester) federal expenditure. In the opinion of the Chamber of Commerce and Industry, permanent control must be established over the emission of state securities.

The limited circle of authorized banks participating in primary trading and the need to clear the liabilities taken on earlier lead to a typical gambling situation, where the trading participants understate the bid prices, and a limited number of short-term state bonds is distributed in trading, albeit with a high yield. Thus, because of the low bid prices when floating 16th-issue short-term state bonds, precisely the right number was satisfied in the auction to provide sufficient proceeds to clear the liabilities under the 11th issue of short-term state bonds. Because of the procedure adopted, the process of primary trading ends up virtually monopolized.

The government is making a definite effort to reduce the burden of current liabilities by restructuring the internal debt by means of increasing the share of longer-term state securities. But the emission of short-term state bonds with a life of one year and the issuing of federal loan coupon bonds have not brought about any substantial progress: The volume of the market for one-year state securities stands at less than 15 percent. Three-month bonds make up the bulk — something of the order of 60 percent — while the other 40 percent is accounted for by six-month securities.

The large-scale emission of short-term state bonds and federal loan bonds is creating serious competition to enterprises in the market for monetary resources by setting a level of income which cannot be maintained by many issuers. Here a paradoxical situation has taken shape from the viewpoint of world experience, when the least risky investments in state securities are at the same time the most profitable. The situation is usually the reverse: the greater the income, the greater the risk.

Shares-for-Loans Get-Together

The report devotes quite a lot of space to various aspects of the privatization process. The authors believe that the sale of the state's remaining share packages could help to enlarge the circle of efficient owners. In fact, however, the opposite is happening. In particular, entrepreneurial circles united around the Russian Chamber of Commerce and Industry believe that it might be necessary, in the future, to pay a far greater price for the money drawn into the budget as a result of shares-for-loans auctions than the price denoted on bank statements. In addition, this whole business with the consortium attests that the elite sectors have already been firmly shared out within a narrow circle and that the whole government "credits for shares" program ruled out honest competition right from the start.

Capital Investments Broken Down According to Forms of Ownership, Percentages

	1993	1994	January-September 1995
State	53	34	33
Municipal	13	8	7
Private	14	16	14
Mixed	20	42	46

Energy Workers Not To Raise Price of Electricity

LD1701140696 Moscow INTERFAX in English 1337 GMT 17 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 17 (INTERFAX) — Despite an extremely difficult financial situation, Russian energy workers do not intend to raise prices for electric power because this can negatively affect the population's income, United Energy System of Russia President Anatoliy Dyakov told INTERFAX.

He said it is necessary "only to correct" tariffs for electric power. But "it should be done in January-February but not in March-April, just on the eve of the presidential elections." If this issue is not solved in time, the growth of electric power tariffs can become "a political factor" which opponents of reform can use for their own purposes.

Energy workers are in favor of electing Russian President Boris Yeltsin for a second term.

Russia's Economics Ministry has prepared a draft document providing for a 16 percent increase of tariffs for electric power (the inflation rate for the first quarter of 1996), Dyakov said. At the same time this document may go into effect not earlier than February 15.

As of today the debt of electric power consumers to energy workers amounts to about 46 trillion rubles. It has increased by 17 trillion rubles only during the last two months.

Moscow Institutions Win Control of Siberian Oil Company

MM1701171696 Moscow KOMSOMOLSKAYA PRAVDA (Business Tuesday Section) in Russian 16 Jan 96 p 2

[Report by Yuriy Yepanchintsev: "Controlling Block Goes to Moscow"]

[FBIS Translated Text] Omsk — Omsk inhabitants have lost control of the Siberian Oil Company. At a shares-for-loans auction 51 percent of "Sibneft" shares were bought up for $100.3 million by the Oil Finance Company and the Capital Savings Bank. The Samara Metallurgical Company and "Inkombank," which had respectively offered $177 million and $175 million for this block, were not allowed to participate in the auction. No matter how hard the Omsk authorities tried to achieve oil autonomy from Moscow via financial circles, the center nonetheless received "Sibneft's" controlling block. In addition, 38 percent of Omsk Oil Refinery shares which used to belong to "Sibneft" have ended up in the hands of Moscow commercial structures.

International Affairs

Parliament Calls For Release of Trabzon Hostages

LD1701204196 Moscow INTERFAX in English
1928 GMT 17 Jan 96

[FBIS Transcribed Text] KIEV, Jan 17 (Interfax - Ukraine) - The Ukrainian parliament has asked the leaders of Turkey and Russia, as well as responsible Chechen officials, to make all necessary efforts to ensure the release of hostages taken on the Avrasya ferry, including Ukrainian citizens.

A statement passed by the parliament Wednesday condemns all forms of international terrorism and calls for a peaceful resolution of all conflicts.

The deputies expressed concern over the violation of human rights and civil liberties and over threats to human lives on territories near the Ukrainian border.

Border Troops on Alert Over Hostages Crisis

LD1701175696 Moscow INTERFAX in English
1701 GMT 17 Jan 96

[FBIS Transcribed Text] KIEV, Jan 17 (Interfax - Ukraine) - Contrary to other Ukrainian troops, border guards have been put on alert since the beginning of the military conflict in Chechnya, the press center of Ukrainian border guard troops told Interfax - Ukraine today.

However, border guard officials have not issued special orders on bringing border guards to a higher state of alert in connection with the hostage-taking at Turkey's Trabzon port, the same source said.

Gunmen captured the Avrasya passenger ferry with 241 people on board, including eight or nine Ukrainian residents, in Trabzon on Tuesday evening. The gunmen said the action had been taken as protest against war in Chechnya, an internal Russian separatist republic.

Ukrainian border guards have stepped up their military capacity in connection with Chechen war a long time ago, the same source said. Border guards have reinforced security on Ukraine's eastern and southern borders, including maritime borders, i.e. the areas from which arms, militants and drugs could come from Chechnya, the press center said.

Security Increased in Sea Ports

LD1701134196 Moscow INTERFAX in English
1328 GMT 17 Jan 96

[FBIS Transcribed Text] ODESSA-KIEV, Jan 17 (Interfax - Ukraine) — Ukraine has stepped up security in its sea ports following the seizure of the ferry Avrasya in the Turkish port of Trabzon late on Tuesday.

Vladimir Bezruchenko, head of the Sea Transportation Department, told Interfax - Ukraine on Wednesday that "the (Odessa) port staff has become more watchful," adding that all key services "keep an eye on all strangers not only on the territory of the port, but also where ships are serviced... Loaded and unloaded."

Bezruchenko said that "all ships staying in the Odessa port, primarily foreign ones, are heavily guarded by border guards." The port authorities are exercising "strict control over all entries to the port, especially by ships," he added.

According to Bezruchenko, there are 191 passengers aboard the Avrasia, 96 of them are Russian citizens and 37 Turkish nationals. The nationality of others is not known.

Of 40 crew members, "eight or nine" are Ukrainian citizens and three are Russians, he said.

Crimean Tatars Condemn 'Russian Terrorism' in Caucasus

LD1701224096 Kiev UNIAR in Ukrainian
1630 GMT 17 Jan 96

[FBIS Translated Text] Kiev — Mustafa Dzhamilyev, head of the Majlis of the Crimean Tatar people, has said that the events in Dagestan (the seizure of hostages by Chechen fighters) is a cause for concern for Crimean Tatars. Mustafa Dzhamilyev assessed the actions of the Chechen fighters as a desperate attempt to save their people from Russian aggression. At the same time, the head of the Majlis expressed the hope that the Chechens would see sense. "Despite the fact that the Crimean Tatar national movement is guided by other nonviolent principle of struggle, we do not consider the actions of our Chechen brothers to be terrorism. It is an appropriate response to Russian terrorism," Mustafa Dzhamilyev said.

The head of the Majlis placed all the responsibility for what happened in Dagestan on Russia. In his view, the actions by the Russian leadership, which is attempting to transfer the responsibility for the negotiating process onto the Dagestani leadership, is nothing but a deliberate aggravation of the interethnic conflict among the peoples of the Caucasus.

The Crimean Tatar leader is also convinced that part of the blame lies with the international community, because if sanctions had been imposed against Russia after it had begun the aggression against Chechnya, then the events that are now taking place would not have happened.

Details of Defense Officials' Fumbled Landing in Uman

WS1701125496 Kiev SILSKE ZHYTTYA in Ukrainian 13 Jan 96 pp 1,3

[Report by Leonid Prosevych: "Will Ukrainian Pilots Receive Orders for Saving Ministers' Lives?"]

[FBIS Translated Text] [Ukrainian Defense Minister] Valeriy Shmarov has recently been virtually haunted by various emergencies. Even currently an official investigation into the emergency that took place in Uman during the landing of a plane carrying the Ukrainian, Russian, and U.S. defense ministers is under way at the Defense Ministry. There is the opinion that the trip for the ceremonial blowing up of a missile silo could have had a very sad ending for Valeriy Shmarov, [Russian Defense Minister] Pavel Grachev, and [U.S. Secretary of Defense] William Perry.

I have managed to learn about the details of the event. Initially, the Air Force Command proposed an AN-26 for this important trip. However, the option of using this aircraft was turned down (obviously because of the aircraft's bad reputation). So a TU-134 was then "wheeled out." The military commanders decided to land the aircraft carrying the three ministers and their entourage at the Uman reserve airfield designed for... training planes. Even there, however, the weather was not suitable for flying, as was the case in the Mykolayiv region. Nevertheless, the military pilots from the Boryspil transport regiment are accustomed to such situations: They learned a long time ago that one does not question orders in the army. So they flew as best they could. What they saw in Uman from the air was not an airfield but a snowfield with a poorly cleaned landing path. Fortunately, two floodlights were urgently shipped there to facilitate the landing. True, they were set in an untraditional place, far away from the runway. Additionally, other important elements of the airfield equipment were missing, as if out of spite, in this bad weather. To put it briefly, the pilots ended up facing a nearly frontline situation. Their colleagues on the ground advised the crew not to land, but to make another circle around the airfield. Nevertheless, the aircraft commander decided that he could see better from above, and did not listen to the advise. As a result, the landing was fumbled. The liner jumped off the runway at high speed, skidded toward snowdrifts, and ran afoul of them. Fortunately, everything ended well, except for the broken undercarriage, flaps, and some other details of the plane.

According to eyewitnesses' accounts, General Grachev, immediately after leaving the plane, went to the tail, and reprimanded the Ukrainian servicemen, threatening to tear off their epaulets. At the same time, the Russian minister promised orders to some heroes of the day, probably the pilots. William Perry, unlike Yeltsin's faithful general, remained calm, understanding that he was on the territory of sovereign Ukraine.

By the way, as a KIYEVSKIYE VEDOMOSTI correspondent has been told, the TU-134 commander had already been awarded with the Order of Bohdan Khmelnytskyy prior to the event. Not long ago, this ace managed to lead a plane with Valeriy Shmarov on board out of a critical situation.

I do not know whether Grachev will keep his promise about awards, but the TU-134 crew has come within the purview of the Ukrainian command — they are currently writing reports about the emergency in Uman. It is quite possible that everything will be blamed on the pilots, and their commanders, as usual, will get off scot-free, only slightly scared. KIYEVSKIYE VEDOMOSTI has learned that the first report has already ended up on Valeriy Shmarov's desk....

Battalion To Remain in Bosnia To Implement Dayton Accord

LD1801105196 Kiev UNIAN in Ukrainian 1000 GMT 18 Jan 96

[FBIS Translated Text] Brussels, [no date as received] — The 240th Ukrainian battalion, deployed in the vicinity of Sarajevo, is to remain in Bosnia within the framework of the multi-national NATO forces implementing the Dayton agreement, said Borys Tarasyuk, Ukraine's ambassador extraordinary and plenipotentiary to the Benelux countries in an exclusive interview for the UNIAN news agency.

He said the Ukrainian contingent would be maintained "partly at Ukraine's expense and partly through the assistance of some other countries." The Ukrainian Government has allocated more than $20 million for maintaining more than 400 servicemen in the 240th battalion.

Previously the NATO leadership had spoken of the possibility of withdrawing the Ukrainian battalion from Bosnia by 19 January 1996. Observers maintain that the stance of U.S. Defense Secretary William Perry, who has expressed himself against redeploying this battalion to Eastern Slavonia under a UN mandate, influenced the North Atlantic alliance's decision on participation by the Ukrainian military contingent in the multi-national forces in Bosnia.

During the meeting between [Ukrainian President] Leonid Kuchma and William Perry in Kiev on 4 January, when the latter was in Ukraine on a two-day working visit, the Ukrainian president asked the U.S. leadership to help Ukraine continue its peacemaking mission in Bosnia-Herzegovina.

Ukrainian-Russian Political Treaty To Follow BSF Settlement

LD1701175896 Moscow INTERFAX in English 1703 GMT 17 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 17 (Interfax) - Russia and Ukraine will sign a comprehensive political treaty after the Black Sea Fleet problem is completely settled, a top-ranking source told Interfax in Moscow Wednesday.

Russian President Boris Yeltsin's official visit to Kiev can take place only after the Black Sea Fleet problem is resolved. The Russian and Ukrainian officials are expected to sign a large political treaty in Kiev.

Meeting in Moscow Tuesday Russian and Ukrainian Presidents Boris Yeltsin and Leonid Kuchma discussed this problem, the source said.

"Moscow is not in a hurry to sign a treaty on friendship, cooperation and partnership with Ukraine in the absence of a precise agreement on the Black Sea Fleet," the source said. "Otherwise there is a question of what kind of friends they are if they cannot resolve the Black Sea Fleet problem," he said.

Russian General Consulate in Odessa Widens Reach

MK1701122096 Moscow NEZAVISIMAYA GAZETA in Russian 17 Jan 96 p 3

[Unattributed, untitled report]

[FBIS Translated Text] A general consulate of the Russian Federation Foreign Ministry has been opened in Odessa. The consulate services Odessa, Mykolayiv, Kirovograd, Kherson Oblasts, and the Republic of Crimea. "During the short time the consulate has been open, we have had dozens of Crimeans applying. This is why we plan to arrange for receiving Russian-speaking people in Simferopol, Sevastopol, and other cities of Crimea," said Russian Federation General Consul in Odessa, Vladimir Nemtsov. Local observers, however, believe this may provoke a negative reaction from Ukraine's Foreign Ministry.

Kuchma Emphasizes Relations With CIS Countries

LD1701223896 Moscow INTERFAX in English 1928 GMT 17 Jan 96

[FBIS Transcribed Text] KIEV, Jan 17 (Interfax - Ukraine) - The development of relations with the CIS countries is a priority for Ukraine, both economically and politically, Ukrainian President Leonid Kuchma said at a meeting with ambassadors of the CIS countries in Kiev Wednesday.

The CIS countries account for about 54 percent of Ukrainian imports and 53 percent of Ukrainian exports, Kuchma said.

Nevertheless, Kuchma said, "We should realize that we lack many normal mechanisms for cooperation." In particular, the CIS currencies are hardly convertible, Kuchma said. He also said there were many "bureaucratic obstacles."

Sessions of the Council of CIS Heads of State have largely contributed to cementing cooperation between Ukraine and the CIS, Kuchma said.

The Ukrainian president met with the CIS ambassadors on the eve of the CIS Moscow summit. Kuchma will leave for Moscow on Thursday [18 January] afternoon to participate in the CIS summit.

National Affairs

Kuchma Warns Against Referendum on Constitution

LD1801122096 Kiev UNIAN in Ukrainian 1000 GMT 18 Jan 96

[FBIS Translated Text] Kiev, [no date as received] — "If the Supreme Council manages to adopt a new constitution, this will be democracy's greatest victory," [President] Leonid Kuchma said at a meeting with deputy chairmen of regional state administrations for issues of the agro-industrial complex.

According to him, "there are certain differences between the Supreme Council and president." A UNIAN correspondent reports that Kuchma warns that if the draft constitution is put to a referendum, "this could lead to the situation in Ukraine being aggravated."

The president described the constitutional commission's work as "very fruitful" and said that work on the draft constitution should be completed in February.

Franchuk To Remain Crimean Premier

LD1701193696 Moscow ITAR-TASS World Service in Russian 1318 GMT 17 Jan 96

[By ITAR-TASS correspondent Lev Ryabchikov]

[FBIS Translated Text] Simferopol, 17 Jan — "We are now at a boundary which, if crossed, will mean we are unable to carry out the electorate's wish. We do not have a constitution and the management of the economy has been ruined," the chairman of the Crimean Supreme Council, Yevhen Suprunyuk, said. He was speaking at the opening of the fourth parliamentary session in the autonomous republic. He called on deputies to show persistence, tolerance and restraint and to improve their work to "a new level in quality."

Deputies have to examine around 70 issues by the end of the current session, which is to last until 4 July. Parliament will not look into the situation in the government today but will refer this report to a later date. Therefore, Anatoliy Franchuk, against whom the Supreme Council passed a vote of no-confidence a month ago, continues in his post as prime minister. It seems the leaders of the Crimean parliament will decide on releasing the head of the cabinet of ministers from his duties after the Ukrainian Supreme Council officially recognizes Franchuk's powers as a people's deputy.

Yevhen Supruniyuk told ITAR-TASS that there are already 29 names on the list of candidates wanting to take up the post of Crimean prime minister.

Government Adopts Resolution on Restructuring Gas Debts

LD1701215896 Kiev UNIAN in Ukrainian
1810 GMT 17 Jan 96

[FBIS Translated Text] Kiev — To partially offset the state budget funds directed at paying off debts for Russian gas consumed in 1994, the Ukrainian Cabinet of Ministers has adopted a resolution on restructuring these debts, which come to $1.400 trillion, the UNIAN news agency learned at the Ukrainian Cabinet of Ministers press office.

In accordance with the government decision, the Finance Ministry will take over the said debts from the joint-stock company Ukrhazprom together with the right to make demands of the debtor enterprises for the gas consumed. Agreements are to be concluded with each of them, and the debt obligations are to be redrafted as bills of exchange.

The difference between Ukrhazprom's credit indebtedness to the Russian Gazprom company and consumers' debit indebtedness to Ukrhazprom at 1st January 1995 will be deemed to be external state debt.

The Finance Ministry, the Economy Ministry, the Ukrhazprom joint- stock company, and the Ukrhaz corporation are to work out the procedure for paying off debts for Russian gas consumed in 1994 within three weeks.

Nuclear Plant Performance for 1995 Reviewed

LD1701193296 Kiev UNIAN in Ukrainian
1250 GMT 17 Jan 96

[FBIS Translated Text] Kiev — In 1995 Ukraine's five nuclear power stations produced 70.5 billion kilowatt-hours of electric power, which was 2.4 percent more than in 1994. The nuclear power stations fulfilled the annual plan by 98.5 percent, the UNIAN news agency learned at the Ukrainian State Committee for the Use of Nuclear Power, where the sectors's work over the last year has just been summarized.

The share of electric power produced in Ukraine at nuclear power stations last year increased by 2.5 percent compared with 1994, totalling 36.7 percent.

All nuclear power stations overfulfilled the annual plan, except for Zaporozhye, which produced only 90.4 percent of the planned volume of electric power. This nuclear power station made very poor use of plant capacity - 54.4 percent, while Rovno nuclear power station made fullest use of plant capacity - 85.9 percent. On the whole, use of capacity in the sector increased over the year from 61.4 percent to 61.8 percent.

According to preliminary information, there were 85 malfunctions over the year, which was considerably less than in 1994 and 1993 (133 and 167 malfunctions respectively). Ten of the malfunctions were deemed to be level one on the international scale of assessment of occurrences at nuclear power stations, and the remainder were deemed zero level. There were no accidents or incidents at nuclear power stations last year.

Most malfunctions occurred at Zaporozhye nuclear power station - 35, and the least at Chernobyl - three. Thirty-one malfunctions led to the halt of generating sets and 19 to a reduction in power.

Belarus

Lukashenka Departs for CIS Summit in Moscow

WS1801084096 Minsk Radio Minsk Network in Belarusian 0800 GMT 18 Jan 96

[FBIS Translated Text] Belarusian President Alyaksandr Lukashenka today departed for Moscow, where a regular meeting of the Council of CIS Heads of State will be held. The provisional agenda of the summit includes over 20 issues. During the summit, the CIS state leaders will discuss issues concerning the deepening of economic integration among republics and prospects for expanding the customs union, and will examine a number of military and other issues.

During the Moscow summit, Alyaksandr Lukashenka will hold talks with a number of CIS state leaders. It is expected that issues concerning bilateral cooperation between our Republic and CIS partners will be discussed. It is envisioned that the Belarusian president will attend a meeting of the Russian Academy of Social Science, visit Zvezdnyy Gorodok [cosmonaut training center near Moscow], and will meet with Aleksey II, patriarch of Moscow and all of Russia.

Foreign Ministry Reports on Progress in EU Talks

WS1801092196 Minsk Radio Minsk Network in Belarusian 0800 GMT 18 Jan 96

[FBIS Translated Text] The embassy of Italy, the country presiding over the EU during the first six months of 1996, has sent to the Belarusian Foreign Ministry a letter informing about the results of a meeting of the EU Group for East Europe held in Brussels. According to information obtained from the Belarusian Foreign Ministry Press and Information Department, at the meeting it was decided to continue the preparations for signing a temporary agreement on trade and corresponding issues between the EU and Belarus. The EU members were unanimous in their decision to instruct the European Commission to immediately begin the required procedures. This decision confirms the consolidation of West European states' confidence in Belarus. The signing of the temporary agreement will contribute to closer cooperation between Belarus and the EU, primarily in the economy.

Deputy Prime Minister on New Legislature

WS1801090096 Minsk RESPUBLIKA in Russian 10 Jan 96 p 7

[Interview with Deputy Prime Minister Leanid Heorhiyavich Sinitsyn by Vyashaslaw Zyenkovich; place and date not given: "Leanid Sinitsyn: 'I Want To Believe That Cooperation With the Legislature Will Be Constructive in the New Year'"]

[FBIS Translated Text] [Zyenkovich] Leanid Heorhiyavich, what do you think, which most important results did Belarus gain last year?

[Sinitsyn] Last year, the constitutional construction of power structures was completed. The presidential system was formed in organizational terms and began to operate. This is the most important thing achieved in the sphere of the implementation of political reform. The mutual adjustment of all branches of power was carried out in a very difficult way. Sometimes, there were severe battles, but it was a natural process. It is also important that as a result of political debates, both opposition representatives and "moderate democrats" began to understand that the Republic has its president and — whether they like it or not — they have to consider this fact.

In addition, I think that another important issue was the forming of a new legislature.

Last year, the president managed to achieve success — although very fragile — at the macroeconomic level. In particular, the national currency was stabilized; enterprises moved from operations based on inflationary profits to operations on a civilized basis, when profits are earned through normal work. Of course, this reflected all the weak sides of economic entities who — due to the inability to operate in new conditions — simply ran aground. The winners were workers of enterprises who realized the need for changes in time, and now feel confident in the current conditions of ever-increasing competition in commodity markets.

It is a comforting fact that both businessmen and politicians began to finally realize that irrespective of the name of the path along which society moves, one must pay for everything. Therefore, in the wintertime, in the first quarter of 1995, we settled all our current accounts for deliveries of Russian energy resources.

I do not think it a less important fact that over the last year the president managed to expand the circle of like-minded individuals and to form a genuinely professional team surrounding him to pursue his policies. Ministers and heads of central management bodies are beginning to act more in unison than they did in 1994, when most of them chose a wait-and-see attitude, wondering: Will the president manage to remain in power?

It is absolutely fair to call the president the man of the year. Both the opposition and the press agree with this.

[Zyenkovich] Has the legislative crisis which lasted over eight months come to an end?

[Sinitsyn] I believe that it is over. I want to hope that in the new year cooperation with the legislature will move in a constructive direction and the president and the Supreme Soviet will be able to find mutual understanding in all aspects.

The discussion of the presidential budget address by the legislature will become the first cornerstone of this cooperation. Note that I do not regard the Supreme Soviet's current staff problems as a matter of paramount importance. This is not the most important issue. The most important issue is the working atmosphere and the attitude of a new corps of deputies toward the main economic document of the country — the state budget. Based on the results of the discussion of the 1996 budget by the legislature, it will be possible to approximately envisage the nature of future relations between the president and the legislature.

[Zyenkovich] But "side" effects of the past legislative crisis remained in the form of the prolonged clearing up of relations between the president and the Constitutional Court....

[Sinitsyn] I fully share the president's opinion that 10 members of the Constitutional Court cannot and must not decide the fate of the country since they have not been invested with power by the people. To decide the fate of the country, the people elected an individual by means of all-Republican presidential elections. The Constitutional Court must also consider the opinion of the head of the state.

When I was Presidential Administration head, I spoke with Constitutional Court Chairman V. Tsikhinya and convinced him that there is a need for the Constitutional Court to discuss at its meeting — on a timely basis and at its own initiative — the Law on the Supreme Soviet, adopted by the former Supreme Soviet, which triggered fair indignation in society at the time and which was called by the people — following the example of the president — the "law on life-long benefits for all Supreme Soviet deputies...."

The political aspect of the Constitutional Court's operations has become particularly obvious so far. The Constitutional Court has embarked on a tricky path, which chosen by Russian Constitutional Court Chairman V. Zorkin at the time. The Constitutional Court must not deal with politics.

There must not be any conflicts with the Constitutional Court in the future. The current conflict emerged due to the exacerbation of relations between the president and the old legislature.

If at the time the president had not taken active measures, namely, had not issued edicts which became a matter of court investigations, we would have — also due to imperfect legislation — put our society out of balance. Perhaps edicts contradicted laws — due to their dual interpretation — insignificantly, but since the president knew how these laws were adopted he had to interfere with them. Given the absence of a legislature over an eight-month period, he repaired certain defects in legislation to some extent. Only thanks to this were we able to oversee the situation.

Given the transitional period, it is very difficult to adopt long-term laws, and sometimes there emerges the need to urgently introduce changes in them. But now, when a new Supreme Soviet is elected, it became possible to resolve any issues connected with the need to correct the legislation. According to the Constitution, if it is necessary the legislature can convene at any time because it is its inalienable right.

Therefore, I think that there will be no problems with the Constitutional Court in the future, if, of course, it will not deal with pure politics; if it — not having been invested with power by the people — will not try to dominate over society.

[Zyenkovich] Perhaps it should have been transformed into another structure by specifying its functions and power?

[Sinitsyn] In any case, this issue must be resolved within the framework of correcting the Constitution.

The Supreme Soviet adopted a new Belarusian Constitution in the form of entire clauses and paragraphs. It is understandable that it was justified at the time because there was no other way out of the political situation....

I am sure that not only changes, but also the entire Constitution must be approved by means of a national referendum.

There must not be any differing interpretations of the Constitution, which, as is known, have led to the legislative crisis; therefore, the Constitution must be subject to changes.

It is difficult to say when a referendum must be held. In any case, this will be resolved when proposals to change individual articles of the Constitution will be drafted.

I think that given the transitional period, countries that do not elect their parliaments for a five-year term are doing a proper thing. The political situation changes very quickly while the political views of deputies are relatively stable.... But this issue must be discussed by deputies of a new legislature, in any case.

[Zyenkovich] Leanid Heorhiyavich! As you have been nominated to the post of deputy prime minister by a presidential edict, you will have to face the procedure of being confirmed to this post by the legislature. Are you sure that the most "left" legislature will approve L. Sinitsyn, who has an image of a "moderate democrat favoring market relations"?

[Sinitsyn] It is up to the legislature. I consider myself a supporter of a sane policy. Hence, when the use of market economic mechanisms is necessary, they must be used; when it is clear that market mechanisms will not provide an expected result in a specific case, administrative measures must be taken. However, the essence of a market is a tough administrative system, taken only in its economic aspect.

I have become acquainted with the program of the communists. It lacks the orthodox dogmas and tough formulations of the "dictatorship of proletariat" type. In general, the program contains a lot of social-democratic concepts. I know personally virtually all the Communist Party leaders.... I do not think that the issue regarding the degree of devotion to the market will be decisive during the vote.

I have decided that if they approve me, I will work as deputy prime minister; if they do not approve me, I will find another job. I am sure that my professional experience in state bodies and my knowledge will make it possible for me to find my place in life and feel sure of myself.

Government Seeks To Establish Currency Peg

LD1701224296 Moscow INTERFAX in English 1928 GMT 17 Jan 96

[FBIS Transcribed Text] MINSK, Jan 17 (FIA-Interfax) - The Belarusian government wants to establish a currency peg until July 1, 1996. The dollar will be kept within the 11,300 to 13,100 Belarusian rubles range. The present rate is 11,500 Belarusian rubles.

A source in the presidential headquarters told Interfax Financial Information Agency that a document to this effect is to be signed by President Alyaksandr Lukashenka on January 17, 1996.

An adviser to the National Bank of Belarus [NBB] governor told FIA that the peg had to be introduced because of the inflationary expectations in the wake of the increase, as of January 1, of the minimal wage from 60,000 to 100,000 Belarusian rubles a month.

The adviser said that the lower level had been set in expectation of a 35 percent inflation in the whole of 1996. The National Bank of Belarus suggested gradual devaluation of the national currency at a rate of 80 percent of predicted inflation. In effect, the NBB exerts plan to devalue the Belarusian ruble to about 12,400 to a dollar before July 1.

Moldova

OSCE, Joint Control Commission Sign Cooperation Agreement

AU1701200896 Chisinau BASAPRESS in English 2200 GMT 16 Jan 96

[FBIS Transcribed Text] Chisinau 16/1/1996 (BASA-press) — The cooperation principles between the OSCE [Organization for Security and Cooperation in Europe] mission in Moldova and the Joint Control Commission (JCC), which groups Moldovan, Russian, and Dniester peacekeepers, were signed today in Chisinau by Michael Wygant, OSCE mission head, and the JCC cochairmen.

The document stipulates "actions aimed to create a stronger foundation for the negotiations on the political settlement of the conflict; collection and supply of information on the situation in the security zone; concrete assurance of the OSCE mission's presence in the security zone in order to initiate contacts with all sides involved in the conflict, and in its settlement with official authorities of all levels and with the local population."

OSCE mission representatives may travel about in the security zone. With preliminary approval from the JCC, they may also visit the military subunits passed under the peacekeeping forces, and other sites, which are not under their subordination, but are situated in the security zone.

JCC representatives told BASA that these principles broaden the cooperation framework between the OSCE mission and the JCC, compared to the similar agreement concluded in June 1994. The JCC cochairmen who signed the document today were Victor Catana, Vladimir Ustinov, and Vladimir Bodnar.

Russian Troops Reportedly To Transfer Rockets to Dniester

AU1701191696 Chisinau BASAPRESS in English 2200 GMT 16 Jan 96

[FBIS Transcribed Text] Tiraspol/Chisinau 16/1/1996 (BASA-press) — Russian troops' rockets for Grad and Uragan launchers will be soon transferred into the possession of Tiraspol authorities.

Reliable sources relayed that the transfer will be performed by an order from Russian Defense Minister Pavel Grachev. The rockets are stored at the Colbasna depositary, 100 km north from Tiraspol.

According to the same sources, Dniester military forces will receive some of the Russian troops ammunitions. BASA learned from the Russian troops command that the transfer was made because the shipment of rockets is complicated and very expensive.

Reportedly, the Dniester Army has eight Grad rocket launchers. A salvo from such a launcher covers a surface of up to 10 hectares.

The Dniester Army does not have Uragan rocket launchers, which are more powerful.

In August 1995 the Moscow and Chisinau press reported that Tiraspol received military engineering equipment and high-tech communications systems. The Dniester-based Russian troops command did not officially deny these reports.

In an interview with BASA, a representative of the Moldovan Defense Ministry confirmed the transfer of rockets. However, he failed to specify how many rockets were transferred. The same source said this denotes a "merge between Russian troops and the unconstitutional Dniester military detachments."

Snegur, Yeltsin's Envoy Discuss Dniester Conflict

AU1701201296 Chisinau BASAPRESS in English 2100 GMT 15 Jan 96

[FBIS Transcribed Text] Chisinau 15/1/1996 (BASA-press) — Moldovan President Mircea Snegur met Yuriy Karlov, envoy of the Russian President Boris Yeltsin to the Dniester conflict settlement talks. President Snegur pronounced himself "for the resumption of the monthly meeting of all parties involved in the removal of the dissensions."

According to a presidential press release, Snegur said that "the stoppage of this process will generate nothing but suspicion among people." He also said the statements on the reorganization of the Dniester-based Russian troops into peacekeeping forces "cannot improve the situation and should be discouraged."

OSCE's Cotti, Snegur Discuss Conflict

AU1701201496 Chisinau INFOTAG in English 2024 GMT 16 Jan 96

[FBIS Transcribed Text] Chisinau, January 16 (INFOTAG) — The minister of foreign affairs of the Swiss Confederation, the OSCE [Organization for Security and Cooperation in Europe] chairman in office, Flavio Cotti, arrived in Chisinau today.

The high guest was received by the Moldovan President Mircea Snegur, who informed him on the current social-political situation in the republic, and on measures taken by the Moldovan leadership to resolve the Dniester conflict.

The Moldovan media recently published a draft law on the Dniester special status, which is based on OSCE recommendations and envisages granting a broad autonomy to the region in the framework of the Republic of Moldova, the president said. However, the Tiraspol leaders reject all reasonable compromises, and are insisting on establishing "a state inside a state," feeling support by conservative forces in the Russian State Duma.

Mircea Snegur has emphasized an essential role played by the OSCE permanent mission in Moldova, and the Russian and Ukrainian presidents' representatives mediating at the negotiations.

He believes, the withdrawal of the Russian contingent from the Moldovan territory would improve the situation in the region.

Mr. Snegur said that the Moldovan, Russian, and Ukrainian presidents are planning to sign a special memorandum, which will speed up the conflict settlement. In that context, Ukraine's agreement to act as a mediator and guarantor of peace and stability in the region would become a first step towards stationing multinational peacekeeping forces under the aegis of the OSCE in the security zone.

The president spoke for broadening the Moldovan-Swiss relations, and pointed out an expediency of opening a joint chamber for trade and industry in Chisinau. He remarked that the Moldovan legislation is attractive for foreign investors.

The Swiss diplomat pointed out that the democratic and economic reforms being conducted in Moldova will promote the bilateral relationship.

The OSCE chairman in office, Flavio Cotti, stressed that the OSCE permanent mission at Moldova will continue its work in the republic. On its behalf, Mr. Cotti stated readiness to organize, already in January, a meeting of the Moldovan and Dniester leadership so that to discuss the status draft law — with observance of Moldova's independence and territorial integrity.

Mr. Flavio Cotti was welcomed by Parliament Chairman Petru Lucinschi, and Minister of Foreign Affairs Mihai Popov. In the OSCE mission office in Chisinau, the OSCE chairman in office had a meeting with Dniester administration officials.

The OSCE welcomes the wish of the Moldovan and Tiraspol authorities to resolve the Dniester dispute by using exceptionally [exclusively] political, peaceful means, Flavio Cotti said at a press conference in Chisinau today.

"Moldovan and Tiraspol leaders assured me of their commitment to such an approach," he stressed.

The Moldovan minister of foreign affairs, Mihai Popov, has called it very symbolic that the diplomatic year for Moldova begins with the visit of the OSCE chairman in office.

"The organization is directly involved in settling the Dniester conflict, and the aim of Mr. Cotti's visit is to get familiarized with the situation in Moldova, with the course of negotiations with Tiraspol, and the implementation of the Moldovan-Russian agreement on the army withdrawal from the Moldovan territory," Popov said.

Commenting on Chisinau's proposition to bring in multinational OSCE peacekeeping forces, Flavio Cotti said the OSCE had so far failed to deploy its peacekeeping forces in any member country. For example, he referred to the situation in Nagorniy Karabakh, where the necessity to deploy international peacekeepers is being spoken about for many years by now.

Flavio Cotti does not rule out a possibility of deploying such forces in Dniester, but stressed that the OSCE is pressed for money, and considers "measures of preventive diplomacy rather than peacekeeping operations" as a more preferable approach.

Tiraspol Declares Economic 'Emergency State'

AU1701181596 Chisinau BASAPRESS in English 2100 GMT 15 Jan 96

[FBIS Transcribed Text] Chisinau/Tiraspol 15/1/1996 (BASA-press) — Tiraspol authorities declared emergency state in the Dniester economy from 15 January till 12 June 1996. According to a decree signed by Tiraspol President Igor Smirnov, under the emergency state the press is censored and the utilization of copiers is reduced.

Parties that disapprove of the Dniester leader's decisions and impede the enactment of the decree will be banned. Any citizen may be searched. Over the period of emergency state, registered guns will be temporarily confiscated. On 13 January Smirnov told reporters that "the poor control over the deployment of government funds causes inflation to soar and the coupon to devaluate." He said that "a thorough control over the distribution of credit funds, commercial banks, and tax collection will be set in the region. The fiscal organs shall be assisted by the prosecutor's office and militia." Smirnov also said Moldovan Speaker Petru Lucinschi ordered the obstruction of the new Dniester coupons transportation from Germany to Tiraspol. Smirnov also said "Moldova buys Dniester coupons deliberately to induce cash shortage." Tiraspol authorities declared the emergency state two years ago, but as local experts point out, most of the measures turned to be inefficient.

Victor Josu, adviser to the Moldovan president, told BASA that "the emergency state will weaken relations between businesses on both Dniester banks." The constructive address of problems by Tiraspol leaders during the talks is the most judicious way out of the crisis for Dniester, said Josu.

Tajikistan

Foreign Minister: Pervomayskoye Operation 'Justified'

LD1601183896 Moscow INTERFAX in English 1808 GMT 16 Jan 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] DUSHANBE, Jan 16 (Interfax) — The use of troops and of heavy artillery against pro-Dudayev rebels in the Dagestani village of Pervomayskoye is quite justified as long as the troops use aimed fire against targets where there are no hostages or civilians, Tajik Foreign Minister Talbak Nazarov told Interfax Tuesday.

He said that the operation in Pervomayskoye is a purely internal affair of Russia, "but no country in the world, let alone in the CIS, can remain indifferent to what is happening there."

The operation must be carried out until the end, though casualties are inevitable. The tragedy cannot be stopped in any other way, said Nazarov.

He believes that the problem must be resolved in such a way that would minimize civilian casualties. "This is mainly the business of the military, not of politicians," said Nazarov.

He believes that the origins of the Kizlyar tragedy lie in the "mistake made last summer when the Shamil Basayev gang, which took hostages in Budennovsk in a similar situation, was allowed to get away with it."

Nazarov stressed that the actions of pro-Dudayev rebels "have nothing in common with the dogmas of Islam which rule out violence against women and children."

Radio Reports UN To Fly Aid to Tavildara

LD1701143096 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 17 Jan 96

[FBIS Translated Text] According to the UN mission in Tajikistan, a convoy of international humanitarian aid has not yet received permission to move to the area under mujahedin control in Tavildara district. The convoy of the international organizations, the International Red Cross and Medicins Sans Frontieres, is carrying food and medicines. It has been prevented from moving for several days by the paramilitary of the [Dushanbe] regime in Tavildara district.

According to the last report about this problem, if government forces prevent the convoy of humanitarian aid from moving, the United Nations intends to use helicopters, since the convoy is destined for people in war-torn Tavildara.

Turkmenistan

EBRD Grants Credit for Textile Factories

LD1701200596 Ashgabat TURKMEN PRESS in Russian 0700 GMT 15 Jan 96

[FBIS Translated Text] The European Bank for Reconstruction and Development sets an example for foreign investors. In the first days of the new year real steps were made to fulfill the investment program of President of Turkmenistan Saparmurad Turkmenbashy [Niyazov], which was adopted at the historic December People's Council [the Khalk Maslakhaty, Turkmenistan's supreme representative body]. Investment contracts to build a textile complex named after the president of Turkmenistan, Saparmurad Turkmenbashy, were signed at the headquarters of the European Bank for Reconstruction and Development in the British capital, London, on 5 January 1996. ERBD Deputy Vice President David R. Hekster, Begench Nepesov, minister of textile industry of Turkmenistan, and his deputy, Akhmet Chalyk (the head of a Turkish company of the same name), put their signatures to them.

The EBRD has not only arranged a credit line of 17.5 million dollars to build the complex, B. Nepesov, who has returned from London, told a TURKMEN PRESS correspondent, but has also become the founder of the GAP-Turkmen joint-stock company, which is to engage in all aspects of the establishment of the textile complex. Under the documents signed, the EBRD has extended 14 million dollars as the founder of the joint-stock company, which makes up 20 percent of its authorized capital (89 million dollars).

David R. Hekster, the deputy vice-president of the European Bank, who spoke at the signing ceremony, expressed his gratitude to the government of Turkmenistan and its head, Saparmurad Niyazov, for inviting the EBRD to take part in the project to build the complex. In Hekster's opinion, this project is attractive, firstly because it will bring new modern technology into the textile industry, which is promising for Turkmenistan. The European Bank's direct participation in the Turkmen project, he said, is a new landmark for the EBRD itself, whose interests are also spreading to the Central Asian region. I hope, Hekster noted, that the European Bank's example will be followed by other foreign investors, for whom the EBRD's decision should be a kind of testimony to the fact that all the guarantees for investing capital exist in Turkmenistan.

The investment by the Ministry of Textile Industry, the minister of textile industry of Turkmenistan noted, amounts to 50 percent, which includes the denim fabric weaving factory in Kipchak — the complex is being set up at that site. It will also contain a spinning and sewing factory worth 50 million dollars, Nepesov noted. The decision to set up the complex with a complete textile production cycle was taken during a visit to the denim factory by EBRD experts half a year ago. They were agreeably surprised by the new Turkmen factory with its modern equipment and technology. At that time the foreign partners proposed to start up spinning and sewing production next to the weaving factory. The practical nature and popularity of articles made from denim leave one in no doubt that the future factory has good prospects, the minister stressed. The complex's output will find consumers not only in Turkmenistan - 70 percent of it will be exported outside the country.

The third founder of the GAP-Turkmen joint-stock company, the Turkish firm GAP-Iplik Sanai ve Ticaret A.S., is to be engaged in building the two factories. It is the legal successor to the company Akhmet Chalyk (a group of firms), which built the weaving factory. The Turkish founder's share is 30 percent of the authorized capital of the GAP-Turkmen joint-stock company.

The European Bank for Reconstruction and Development's participation in the emergence of the Turkmen textile industry, Nepesov noted, is the best recognition of how promising efforts to attract foreign investment in our state's economic projects are. Turkmenistan's neutral status will also be a factor in the success of the long-term partnership, EBRD expert Gulsina Turkmen told a TURKMEN PRESS correspondent. The distinctive feature of the EBRD's financial participation in the project to build the textile complex is that it was arranged in the form of a private enterprise credit, which does not require government guarantees. The extension of a credit to build a sea port in Turkmenbashy and an Ashgabat-Mary road is among the European Bank's next plans.

Uzbekistan

National Security Service on Mercenaries in Chechnya

LD1701143696 Moscow INTERFAX in English 1330 GMT 17 Jan 96

[FBIS Transcribed Text] TASHKENT, Jan 17 (Interfax) — Uzbekistan's National Security Service has no information about Uzbek citizens' involvement in Chechen militant Salman Raduyev's hostage-taking act in the Dagestani village of Pervomayskoye, the National Security Service's public relations center told Interfax Wednesday [17 January], commenting on reports that one of the mercenaries detained in Pervomayskoye was an Uzbek citizen.

A spokesman for the National Security Service said that "these reports must be checked." He also said that "Uzbekistan has never sent mercenaries to Chechnya and has nothing to do with the people fighting on Dudayev's side." He added, "Uzbekistan strictly observes the principle of non-interference in the affairs of other states and rejects terrorism as a means of attaining any goals."

"There is no danger of provocations or aggressive acts by Chechens against ethnic Russians in Uzbekistan, and the republic's law-enforcement bodies are in full control of the situation," he said.

Karimov Comments on Talks With Turkmenistan President

LD1701231896 Moscow Mayak Radio Network in Russian 1800 GMT 17 Jan 96

[FBIS Translated Text] The meeting between Turkmenistan President Saparmurad Turkmenbashi and Uzbekistan President Islam Karimov has ended. Our correspondent Mergen Amanov has the details about its results:

[Amanov] Twenty-one agreements, envisaging specific areas of partnership in the sphere of the economy, trade and humanitarian relations were signed at the meeting between the presidents. After the talks, the presidents of the two neighboring states signed a treaty of friendship and cooperation between Turkmenistan and the republic of Uzbekistan.

At a meeting with the public here is what Uzbekistan's President Islam Karimov said in particular when touching on the importance of the agreements reached:

[Begin Karimov recording] The 20 documents which we signed today this will provide an opportunity, firstly, to raise the level of our relations to a completely different level and, secondly, all outstanding problems in our relations have been completely resolved by these documents and now no one has any grounds to try to stir up some problems. The only thing I would like to say is that these documents must serve the interests of Turkmenistan and those of Uzbekistan. You know that together we are building a new society and building our independence. Each state is entitled to build its independence solely by a method that suits it. [end recording]

Armenia

Karabakh Official: No "Problem of Shusha" for Karabakh

NC1701194596 Yerevan NOYAN TAPAN in English 0552 GMT 17 Jan 96

[FBIS Transcribed Text] Yerevan, Jan. 17 (NOYAN TAPAN)— Karabakh's permanent representative to Armenia Alexander Harutyunyan described Tuesday [16 January] as "groundless" publications in "Turkiye" newspaper, according to which at the recent Moscow negotiations on the Karabakh conflict it has become clear that Armenians allegedly "are not against withdrawing from Shusha and Lachin".

"This information is either the result of correspondent's vast imagination or a wishful thinking of Azerbaijan", he said.

There is no problem of Shusha for Mountainous Karabakh. As to Lachin, this problem may be discussed in future. However, it may happen provided other problems, in particular, the status of Karabakh, are resolved.

Mr. Harutyunyan noted that the negotiations being held under the umbrella of the OSCE Minsk group play important and positive role, especially when they are held in homeland of one of the Co-Chairmen. The latest Moscow negotiations may also be considered as such.

Armenian National Movement Spokesman on ASALA Goals

NC1701194696 Yerevan NOYAN TAPAN in English 0552 GMT 17 Jan 96

[FBIS Transcribed Text] Yerevan, January 16 [dateline as received]—The Armenian National Movement diverged as exclusively a political organization aimed at resolution of the Armenian Cause. Under the slogan "Resolution of Armenian Cause by Force", the Movement chose a strategy which introduced the armed hostile activities of the ASALA [Armenian Secret Army of Liberation of Armenia] into the politics.

The Movement exists in all countries of the world where Armenians live. When Armenia gained its independence, the internal strategy of the Movement underwent changes.

The following is an interview given by Vazgen Petrosyan, spokesman of the Armenian National Movement, to NOYAN TAPAN correspondent.

Q.: What is the main purpose of the Movement?

A.: The formation of the Movement was stipulated by certain circumstances and events which happened before the 20th century. When the Armenian Secret Army of Liberation of Armenia (ASALA) was born in 1975, many doubted that it will be viable. Armed struggle is a unique phenomenon for the Western Armenians. The Armenian youth which was familiar with its homeland only through pictures in the magazines, was ready to abandon its calm existence and risk its life for the sake of the united Armenia. Despite persecutions, they succeeded at drawing the attention of international agencies to the Armenian Cause.

This was the situation in which the Armenian National Movement was born in 1980. The supporters of the Movement are convinced that without political work for the sake of national interests, the Armenian people will hardly solve its main national problem - the liberation of the Western Armenia.

We have only one aim - to bring up our youth in a belief that each of them separately is not an individual, but only a part of common Armenian essence without which they cannot survive. Each of them should believe that without him the homeland will lose a lot.

The Movement has gathered together young people each of whom is confident that he is a part of the nation, and is willing to die for the sake of its interests.

Today we are confident that we should mainly struggle in Diaspora which is on the threshold of death if we don't help it. If Diaspora dies we will lose our lands for good. While we struggle - Diaspora will exist.

Q.: What is your attitude toward the government and the opposition?

A.: We belong to those organizations which aspire liberation of Western Armenia. Thus, we recognize any President elected by the people and assist him in reinforcing the Armenian statehood. On the whole we support all steps aimed at welfare of the nation, we will support them as much as we can regardless of who initiates them - the government or the opposition.

We are not connected and do not want to be with any party. We do not have conflicts with any party either.

We are a national party. Our goal is to serve our homeland and we do not care about any other goals.

Currently the Armenian nation is experiencing hardships, a struggle for survival. We must unfurl our banner among the Armenian youth spread all over the world. We do not care if someone belongs to the "right-wing" or the "left-wing." He only has to have one ideal, one purpose, one belief - Armenian nation is above everything.

Q.: What role did your organization play in processes that occurred in post-Soviet Armenia and Artsakh?

A.: We carried out our activities mainly abroad. We issued a number of publications in English, French, Arabic, Farsi, which were dedicated to the struggle of the people of Artsakh. We wanted to present the Artsakh struggle to the world and show that self-defense was foisted upon the people of Artsakh by Turkey's expansionist projects and that the Armenian people defends itself from pan-turkism.

We also organized exhibitions dedicated to Armenia, Artsakh, Genocide of Armenians and the Armenian people.

In 1993 Turkish authorities and Turkey's Red Crescent issued a statement urging Arab countries to render material assistance to their brothers-in-belief, who "are being slaughtered by Armenians". Azerbaijan could have got material assistance, while Armenians would have been represented as people exterminating muslims. That would have been a great blow to Armenians living in Arab countries. In response to that statement our organization prepared leaflets in Arabic and spread them in all newspapers and magazines issued in Arab countries as well as in Arabic-language press issued abroad. They were convinced that Turkey is spreading the lie. The Arabic world did not succumb to Turkey's blackmail.

An exhibition staged on April 24 1993 due to joint efforts of the Armenian National Movement and Serb-Armenian Union, comprehensive information disseminated by the Movement did their work. On July 27 Serbian Parliament condemned the Genocide of Armenians.

Actually, thanks to hard work of our Movement and the pioneer of armed struggle — the Armenian Secret Army for Liberation of Armenia (ASALA) we were able to draw attention of world's nations and even gained sympathy of Arabs, who profess Islam like Turks.

We have convinced everybody that Turkey's propaganda is a lie and Ankara uses peoples' religious sentiments.

Q: And still, why does not armed struggle take on mass nature?

A: There are numerous facts that Armenians got inspired and felt a kind of a proud for military actions. ARF [Armenian Revolutionary Federation]-Dashnaktsutyun, Social-Democratic Party Hnchakian ("Bell"), Ramkavar-Azatakan Party, Communist Party dreamt of having forces like Armenian National Movement and ASALA. However, we did not do it, acceding to neither of them we maintained and are still maintaining our independence. The future will show whether it is good or bad.

It is undeniable that our 20-year-long activity became material for Armenian newspapers, Armenian people, as well as European, American and Asian press. It became one of the main problems for Ankara. I can not but confess that Armenians were not ready then, and the worst is that Armenian parties were not ready either.

I believe that faith and self-sacrifice are the main guarantees for our success. Mercenaries has never left a "heroic trace" in the history, even if they perished fulfilling their duty.

We managed to open a new page for diaspora. In any case we must remain among Armenian people as the 5th force always defending the high interests of Armenian people.

Azerbaijan

Aliyev, Petrosyan To Discuss Karabakh Settlement Issues

LD1701223196 Moscow INTERFAX in English 1805 GMT 17 Jan 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Presidents of Azerbaijan and Armenia Geydar Aliyev and Levon Ter-Petrosyan are expected to meet together within the framework of the CIS summit in Moscow to discuss key issues of a settlement to the Karabakh conflict, a presidential source told Interfax.

He said a group of Azeri diplomats led by Vice Foreign Minister Tofik Zulfugarov was clearing the ground for the meeting to be held before or during the summit.

IF Note: There is "still no" concrete agreement on a meeting between Aliyev and Ter-Petrosyan in Moscow, an Armenian president's source has reported, adding, however, that the chance of such a meeting is "quite high".

The source said the agenda would cover issues such as the release of occupied Azeri territory, repatriation of refugees, the status of Nagorno-Karabakh and safety guarantees for Karabakh Armenians.

Aliyev and Petrosyan are also expected to set the deadline for Armenian pullout from occupied Azeri regions including Lachin and Shusha, he said adding that any success in the negotiating process was largely hinged on how this problem was resolved.

Security zones in Nagorno-Karabakh and the Lachin corridor, the only road linking it with Armenia, are also to be discussed.

IF Note: At the end of the latest round of peace talks in Moscow last Friday [12 January], the two sides had agreed to include an addendum about the security of Nagorno-Karabakh into a major political peace deal which has been under discussion for quite some time. The draft paper provides for the deployment of an OSCE peacekeeping force in the region; designation of no-fly areas for military aircraft; demilitarization of the regions to be released; an impeded road link between the enclave and Armenia via the Lachin corridor; and free passage from one part of Karabakh to another via Azeri territory. The enclave's defense forces are to remain intact and no restrictions are to be set on their numbers or quality.

Armenia which is to be responsible for implementing the document will also act as security guarantor of Karabakh.

The source also said that Russia, Azerbaijan and the Azerbaijani International Operational Company (AIOC) which coordinates oil exploration in the Azeri part of the Caspian Sea were expected to meet in Moscow on Thursday to sign a deal on pumping early oil from Azerbaijan's Azeri, Chirag and Gyuneshli fields via Russian territory. Prime Minister Fuat Guliyev is to sign the agreement on his country's behalf.

IF Note: Initially, the agreement was to be signed at the start of last November, but the ceremony had to be postponed until this January because of delays caused by legal niceties of the paper, a government source told the Petroleum Information Agency in Moscow.

In the meantime, the postponement will affect the start of early oil production scheduled for later this year. A senior official of Russia's LUKoil company having a stake in the Azeri project said that early oil would have been produced in the middle of 1996, had the three partners signed the deal last autumn.

Under the AIOC's decision of October 9, 1995 a total of 32 million tonnes of early oil is to be pumped via Russia and Georgia. International experts say that the Russian pipeline will cost $55 million worth of investment to $245 million by Georgia's which has more than 2,000 ruptures.

They say it will take at least six months to recommission a section of the Russian pipelines passing through Chechnya.

Georgia

Foreign Minister, Turkish Ambassador Discuss Hostage Crisis

LD1701161396 Tbilisi Radio Tbilisi Network in Georgian 1500 GMT 17 Jan 96

[FBIS Translated Text] Georgian Foreign Minister Irakli Menagharishvili today received Tevfik Ufuk Okyayuz, the ambassador extraordinary and plenipotentiary of the Republic of Turkey to Georgia. The minister expressed his alarm over the hijacking of a passenger boat by a group of Chechen terrorists in Trabzon and the taking of hostages, including Georgian citizens. He stressed that Georgia was watching the situation closely and expressed the hope that the Turkish authorities would make every effort to neutralize the terrorists and free the hostages without losses. The minister added that close, good-neighborly cooperation between Turkey and Georgia would also embrace the fight against terrorism.

The ambassador briefed the minister on the terrorist act, as well as the measures undertaken by Turkey's relevant bodies. He said that Turkey would always oppose terrorism and especially if civilians were to be injured in this action. He assured Menagharishvili that Turkey would make every possible effort to free the hostages. The ambassador also promised the minister that as soon as he received information, he would promptly inform the Foreign Ministry.

Tbilisi Condemns Hostage-Taking Aboard Avrasya Ferry

LD1801104396 Tbilisi Radio Tbilisi Network in Georgian 0800 GMT 18 Jan 96

[FBIS Translated Excerpt] Official Tbilisi has condemned the hostage-taking of the Avrasya boat passengers by Chechen terrorists in Trabzon.

According to the Georgian president's press secretary Vakhtang Abashidze, Eduard Shevardnadze has expressed his alarm over the above incident. The Georgian side is sure that the Turkish authorities will make every effort to free the hostages as terrorism is unacceptable for any civilized country — all the more, everybody knows the Turkish position to the tragedies in Budennovsk, Kizlyar, and Pervomayskoye. [passage omitted: press secretary says Shamil Basayev led the mercenaries against Georgians during the Abkhaz conflict]

Government Spokesman Sees Abkhaz Link to Ferry Hijack

AU1701172296 Paris AFP in English 1638 GMT 17 Jan 96

[FBIS Transcribed Text] Tbilisi, Jan 17 (AFP) — The Georgian authorities said Wednesday they saw a link between the Black Sea ferry hijack by pro-Chechen gunmen and Abkhazia, the breakaway region in western Georgia.

"It is interesting that during these events we again come upon the name of Shamil Basayev, hero of the Abkhaz war," said government spokesman Vakhtang Abashidze.

Basayev, who led Chechen units against Georgian forces in Abkhazia during an independence war in 1992-1993, also led a raid on the southern Russian town of Budennovsk by Chechen separatists in June last year.

The ferry Avrasya with more than 200 on board, most of them Russians, was seized by gunmen late Tuesday in Trabzon, a port in eastern Turkey.

The gunmen threatened to blow it up unless Russian forces allowed Chechen guerrillas holding dozens of hostages in the Dagestani village of Pervomayskoye to cross into neighbouring Chechnya.

The ferry has been heading slowly westward, in bad weather, towards Istanbul, trailed by patrol boats from the Turkish Coast Guard.

A Turkish Foreign Ministry spokesman said the hijackers were believed to number six or seven, all Turkish nationals of Caucasus origin.

The leader of the hijackers was reported to be a Turk of Abkhaz origin who had fought under Basayev's orders during the Abkhazia war.

"Were it not for the Abkhazia war, there would not have been this wave of terrorism that has engulfed the Caucasus region, and now spilt over its borders," Abashidze said.

Russia provided covert support for the Abkhaz separatists during their war against Georgia.

Russian peacekeepers now guard the border between Abkhazia and the rest of Georgia. Their mandate is set to be renewed at a summit of Commonwealth of Independent States leaders opening in Moscow Friday.

Georgian leader Eduard Shevardnadze has said he will oppose extending the mandate unless the Russian troops take a more active role in resettling the 250,000 refugees, mostly ethnic Georgians, who have fled Abkhazia.

In Moscow Wednesday Natella Akaba, a deputy from the Abkhaz separatist parliament, denied any link between Abkhazia and the ferry hijackers, ITAR-TASS news agency reported.

The authorities in Abkhazia "have no connection with the terrorists" who seized the ferry, the deputy said, stressing that Abkhazia also "has no link with the Chechen terrorists."

Abkhaz Terrorists Acting on Ardzinba's Orders

LD1801100696 Tbilisi Radio Tbilisi Network in Georgian 0800 GMT 18 Jan 96

[FBIS Translated Text] The ALIONI news agency learned that among the hostages taken by Chechen terrorists on the Turkish boat, Avrasya, are seven citizens of Georgia.

Among the terrorists are Abkhazians from Gudauta: Trabzon University students Gennadiy Lakoba and Aleksander Tsizhba. They told Turkish Security Services that they were acting on the orders of [Abkhaz separatist leader Vladislav] Ardzinba and the separatist government.

The Georgian State Security Service is taking steps to free the hostages.

Abkhazia Rejects Link to Trabzon Attack

LD1701162896 Moscow ITAR-TASS in English 1606 GMT 17 Jan 96

[By Albert Akhmetshin and Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, January 17 (Itar-Tass) — Natella Akaba, deputy of the Abkhazian parliament, said on Wednesday [17 January] that this Georgia's breakaway republic "condemned any manifestations of terrorism."

Akaba told a news conference that Abkhazia "has nothing to do with Chechen terrorists" and branded as "fantasy" allegations that Chechen guerrillas found shelter in the republic. The deputy flatly rejected any connection of Abkhazia with pro-Chechen commandos who seized a passenger ferry with some 200 people aboard in the Turkish Black Sea port of Trabzon on Tuesday.

Terrorists Seize Red Cross Officials in Georgia

LD1801073096 Moscow Radio Rossii Network in Russian 0300 GMT 18 Jan 96

[FBIS Translated Text] Another report came in on Wednesday about the seizure of hostages. This time it was in Georgia. Izi Datchanya, correspondent of the Abkhazpress agency, has the details.

[Datchanya] In Zugdidi district of Georgia representatives of the Red Cross mission have been seized by terrorists. The terrorists are demanding that Georgian refugees be returned to Abkhazia.

General Yakushev, commander of the peace-keeping forces, has reported to the Abkhazpress agency that the terrorists are also preventing representatives of the mission of the United Nations Organizations and subunits of the CIS peace-keeping forces from crossing the Georgian-Abkhaz frontier. At the same time, according to General Yakushev, the peace-keeping forces cannot do anything in this situation, since the return of refugees is not part of the task of the peace-keeping forces.

The leaders of the Red Cross have set out for the scene of events to have talks with the Georgian terrorists.

Estonia

Ministry 'Shocked' by Russia's Actions in Chechnya

LD1801120296 Tallinn Radio Tallinn Network in Estonian 1100 GMT 18 Jan 96

[FBIS Translated Text] The Estonian Ministry of Foreign Affairs takes the position that the Russian leaders should resolve the hostage drama in Dagestan by peaceful means. The Estonian Ministry of Foreign Affairs is shocked by the fact that the Russian army carried out direct attacks against Chechen fighters, hostages and civilians, thereby demonstrating a total lack of concern over people getting killed, an official statement by the ministry says today.

The Estonian Ministry of Foreign Affairs hopes that the Government of the Russian Federation will attempt to resolve the conflict in the Caucasus by means of negotiations, fairly and without delay, in order to prevent innocent people being killed in the future. The latest developments of the Pervomayskoye hostage crisis cause great anxiety in the Estonian Ministry of Foreign Affairs.

Although any acts of terrorism, including taking hostages, are condemnable and cannot be justified in any way, the Ministry of Foreign Affairs is aware that the roots of the hostage crisis lie in the events of December 1994, when the Russian army started the aggression in Chechnya, the statement by the Estonian Ministry of Foreign Affairs from today says.

NATO Officer Assigned to Defense Ministry

LD1801000596 Tallinn Radio Tallinn Network in Estonian 1800 GMT 17 Jan 96

[FBIS Translated Excerpt] Cooperation between Estonia and foreign countries was under discussion at the Defense Ministry today. Over to Uku Toom.

[Toom] The reason for the briefing stemmed from the fact that Lt-Col Geller, a NATO communications officer, took up his post at the Defense Ministry on 5 January for the duration of the whole year. First, over to Defence Minister Andrus Oovel.

[Oovel] Mr. Geller's work at the Estonian Defense Ministry is first and foremost to coordinate the Partnership for Peace program. This means analysis in respect of all these events offered to Estonia within the framework of the program, the drafting of standard and technical documents enabling participation in them, advice on both the drafting of the 1997 cooperation program and on the resolving of all the problems resulting from our very successful cooperation program with Germany in 1996. We believe that the process which is getting under way with the help of our German friends is a continuing one since Estonia has friendly relations with 21 countries and military attaches of 21 countries have been accredited to Estonia. In addition to our German friends we will quite soon see also other countries' officers at our ministry and the Defense Forces headquarters who will be helping us to develop the state defense system.

The first such agreements are about to be concluded with Denmark and Finland, and we very much hope that the Swedish side who has several officers of Estonian origin under its command will also be joining this initiative.

[Toom] And so, Lt-Col Geller is a German officer who will be staying in Estonia so as to coordinate cooperation on defense and security matters both with NATO and Germany. He said that he would like to demonstrate here the working practices popular at the NATO headquarters and if possible implement them. The German military attache, Mr. von Hobbe, emphasized that cooperation with Estonia is good and equally good with the Estonian Defense Ministry and the Defense Forces headquarters. [passage omitted]

Estonian, Foreign Ministers Discuss Border Control

LD1601220696 Tallinn Radio Tallinn Network in Estonian 1800 GMT 16 Jan 96

[FBIS Translated Excerpt] Foreign Minister Siim Kallas returned from his visit to Sweden today and provided a survey of his meetings.

[Begin Kallas recording] [passage omitted] We discussed security issues a lot, first and foremost in connection with the political situation in Russia: As to whether any major changes in politics can be expected and what form our cooperation might take should such cooperation in fact be called for. I have in mind some kind of drastic situation here. Altogether, there were many exchanges on the Estonian-Russian relations. We discussed what is happening on our side here as far as these relations are concerned, and what has been afoot ever since the famous Estonian-Russian agreements were ratified, about our wishes to regulate our relations and aim for the concluding of a border agreement. [passage omitted]

Understandably, simplified travel between Estonia and Sweden was also under discussion: The issue of visas. But here we have two serious problems, or rather, even three, which complicate this issue and about which one cannot say definitely that they will fall away some time in the near future. One of the issues is that Sweden is undoubtedly very worried as to whether it can control the movement of the individuals who will in that case enter Sweden once the visa requirement is abolished, what kind of people they will be, and whether Estonia can ensure that the uncontrollable element, so to speak, will not enter Sweden. There was general awareness and satisfaction on the Swedish side that on the whole, control on the Estonian borders has become tighter and there is much better idea about the people who cross the border.

The refugee issue is the second problem. Should things go ahead and refugees find their way to Sweden from Estonia then Sweden wants Estonia to take upon itself the obligation of accepting the return of these refugees. Well, this issue is bogged down in our domestic legislation on refugees that is being drafted, but it is not likely to happen quite so quickly. Furthermore, we will then inherit the problem as to what we should do with these refugees. [passage omitted] [end recording]

Lithuania

Premier, Interior Minister on Banking Crisis

LD1701181696 Vilnius Radio Vilnius Network in Lithuanian 0830 GMT 17 Jan 96

[Interview with Prime Minister Adolfas Slezevicius and Interior Minister Romasis Vaitiekunas by Adolfas Drungilas in the prime minister's office in Vilnius on 17 January — live or recorded]

[FBIS Translated Excerpt] In a moment we have an interview from the office of Prime Minister Adolfas Slezevicius. The topic of today's conversation: who is to be answerable for the situation in the sphere of banking? Apart from Prime Minister Adolfas Slezevicius, also taking part in the interview here is Interior Minister Romasis Vaitiekunas. The interviewer is Adolfas Drungilas.

[Drungilas] May I suggest that we start today's conversation from the events which are linked with your personalities and posts. [passage omitted]

People who read the newspapers today or listened to the newspaper review on the radio and now learned that the Interior Minister Romasis Vaitiekunas is taking part in our program, are now asking the minister: is it true that yesterday the president [Algirdas Brazauskas] proposed that you should resign and that a decree to this effect has already been prepared? Minister, what do you have to say on this matter?

[Vaitiekunas] Good morning. The first thing I would like to say is that the truth has been misrepresented by the press. As far as the activities of the Interior Ministry and my personality are concerned, this is not the first such instance. I have to openly say that, on the basis of all laws that regulate the procedure for appointing or dismissing an interior minister or any other minister and after having sought permission from the prime minister, I personally addressed the president of the Republic of Lithuania the day before yesterday with a request to be received on my own initiative. I did not specify the purpose of the meeting. The president was very busy the day before yesterday and therefore he could not receive me, so the meeting took place yesterday. But I would like to repeat it once again: It was I who initiated the meeting.

I explained my position and my disagreement with some interpretations of the functions of the Interior Ministry and the attribution of the ministry to some criminal offenses and so on. The conversation proceeded in the spirit of goodwill and lasted for about 30 minutes. We reached a preliminary agreement that I should solve the issue of my resignation in accordance with the procedure provided for by the law, that is, by handing a written statement to the prime minister, then the prime minister should express his view on this matter, and so on. The prime minister and I have not yet had a chance to discuss this issue since the prime minister was very busy yesterday, and we will look into this matter after this radio program. However, no written statement has been submitted on my behalf yet. As far as a decree being prepared, I am not in a position to be aware of this.

[Drungilas] Yet the press says that this is true, that is why I asked you. But now I would like to put a question to the prime minister. Yesterday a decision by the Prosecutor General [Vladas Nikitinas] was awaited on whether a criminal case would be instituted against you. This issue has been postponed. And yet another question: Were you questioned by the prosecutor's office yesterday on the issue of your deposit withdrawal [from the Lithuanian Joint-Stock Innovation Bank two days before the bank was declared insolvent] and on the excessive interest [paid on Slezevicius' account]?

[Slezevicius] Good morning to the Lithuanian radio listeners. Yes, indeed, it seems like it is the most important issue of the day: the money of the prime minister, use of this money, and certainly illegal activities and moral aspects. I truly regretted the withdrawal of my deposit. The circumstances will be clarified, it is not that important, and I do not wish to provide explanations here. As far as excessive deposit [as heard] is concerned, it would not be difficult for the bankers to assess whether the current 18 percent deposit [as heard] is excessive when the amount of the money deposited was so significant, but these are the aspects which will be clarified in the future. I believe I will have an opportunity to provide explanations.

Yes, I was questioned twice by a prosecution officer. Now I realize that not only my misconduct is trying to be implied but also some criminal responsibility is detected, and therefore I insisted this morning, in a written form, that the prosecutor general gives me a chance to provide additional explanations. This is because I understand that I did not manage to explain all circumstances of signing the contract on bank deposit and all circumstances of the deposit withdrawal during the two brief conversations. I believe that such an opportunity should be given to me. I can say very plainly and honestly that I did not exert any influence over the determination of the interest on my deposit, I did not use any force for this purpose, I did not use any persuasion, and if an interest of 80 percent would have been calculated I would not know about it since I thought that the interest stipulated in the agreement with the bank was being calculated. I believe I will have a chance to discuss this issue. I want to say just one thing: You have probably noticed that a total attack against the government, against me and against some ministers has strengthened. It has been going on for some six months now, or maybe even longer.

The stability in the state and the fact that we proceed with economic and social reforms is apparently unacceptable to our opponents. You might have noticed how many various articles have been published about me, about my assistants, about my wife and about all other issues. There is only one aim: to discredit me at any cost and then, naturally, proceed with other actions.

But I would like to repeat once again what I said in my statement yesterday: there is no need to push me with a bulldozer. There is very simple procedure [for resignation] outlined in the constitution. However, I am not able to drop everything and go just because one or another opposition party or politician would like me to do so. For me, personally, resignation would be the easiest thing to do. However, it would also be the most irresponsible thing to do, especially at the present moment when we have to consolidate enormous efforts in order to solve problems at some banks.

Why is it that now attempts are being taken to divert the attention of the public from the main perpetrators — the borrowers responsible for bad debts? Is there a lot of talk about these people? You will probably agree that there is not enough speculation about the people who ... [pauses] about executives of the banks who allowed the loans to be granted irresponsibly, and not only at these banks.

[Drungilas] Journalists are looking into these matters very extensively.

[Slezevicius] But you will probably agree that the center of attention is being chosen incorrectly. The government is being accused for not ensuring supervision of the banks. Attempts are being made to divert the people's attention and to confuse the people of Lithuania. But the supervision of the banks is not the responsibility of the government. It is the exclusive duty of the Bank of Lithuania.

And one more thing: One quite dated tune started to be played more loudly now — the devaluation of the litas. The problem of the litas devaluation is being raised now as it never was raised before. Why? The explanation is very simple. If the litas is devalued, the debts of the debtors would decrease by the percentage of the devaluation. And all people of Lithuania would pay quite a high price for it. I think the main reason for it is because the majority of debts in banks are in litas. And, obviously, if these debts are devalued it would become more simple to settle them. There are no reasons to talk about devaluation of the litas.

I would like to repeat it once again: The problems at two or four banks will have no influence whatsoever over macroeconomic indices. By the way, we are working very intensively with the mission of the World Bank and International Monetary Fund. This Friday [19 January] we will be able to hold discussions — which, however, will be confidential — about possible strategy in dealing with the banks. The statement released by the International Monetary Fund and the World Bank yesterday says clearly that the decisions made by the bank and the government were correct, that the steps taken were correct and that the measures which have been taken and that the work which is underway now is right. We have also an opinion from other experts on this issue.

It is understandable that, with a background of problems at some banks, the possibility for provoking a political crisis is better, and the possibility for provoking a government crisis is better. That is why the additional moral and psychological pressure can be justified: I repeatedly noted that, ever since 1992 our opponents were reiterating only one idea and tried to convince the people of Lithuania of a single concept, which is that only early elections can save Lithuania from chaos, as they call it, and from ruining Lithuania. [passage omitted]

Brazauskas Maintains Need for Interior Minister To Resign

LD1701230396 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 17 Jan 96

[FBIS Translated Excerpt] Minister of Interior Romasis Vaitiekunas denied press reports that soon he would hand in his resignation to Prime Minister Adolfas Slezevicius. So far there is no letter of resignation, the minister maintained speaking in a live interview to Lithuanian radio on Wednesday.

The resignation of the minister was expected following President Algirdas Brazauskas's report to the journalists that after the meeting on Tuesday [16 January], the minister of interior promised to hand in his resignation to the prime minister. Algirdas Brazauskas also reaffirmed his statement today.

[Begin Brazauskas recording] Yesterday, when Vaitiekunas visited me and asked me what he should do I told him that he should resign and gave my reasons why he should do so.

And then, while Mr Vaitiekunas was still present here, I phoned the prime minister and told him that Vaitiekunas would hand in his resignation to the prime minister and that the prime minister would then hand in the presentation to me according to the procedure defined by the constitution.

However, today, as we can see, the events are taking a somewhat different turn and forces and differences of opinion on this issue have emerged. However, I am inclined to keep to my opinion and not to change it. [end recording]

Of late, Minister of Interior Romasis Vaitiekunas, like Prime Minister Adolfas Slezevicius, were subject to criticism for withdrawing their deposits at the Joint-Stock Innovation Bank (LAIB) on the eve of suspension of the bank's operations. Apart from this, according to the opinion held by some bankers and politicians, the actions taken by the Ministry of Interior in arresting the chairman of the board of the directors of LAIB became the reason for suspending the bank's operations.

This afternoon a sitting was held by the board of the Seimas Lithuanian Democratic Labor Party [LDLP] faction. Prime Minister Adolfas Slezevicius and Minister of Interior Romasis Vaitiekunas took part in it.

The chairman of the party and the Prime Minister, Adolfas Slezevicius, said that routine affairs were discussed at the sitting. Answering the question concerning the resignation of Romasis Vaitiekunas, the prime minister said:

[Begin Slezevicius recording] First of all, the main issue, that is the issue of the prime minister, should be resolved. Only then can the problems of the cabinet members be discussed. This is understandable bearing in mind that the Prosecutor's Office is investigating the alleged abuse of power by me. Therefore, clarity should be first of all established with regard to the above. I categorically deny even any allegations of such abuse of power. And I would like to manifest this by presenting additional documents to the prosecutor. [end recording]

Head of the LDLP Seimas faction Gediminas Kirkilas answering the journalist's question after the sitting as to why the faction held a different opinion than the president concerning the resignation of Minister Romasis Vaitiekunas said:

[Begin Kirkilas recording] The faction has its own opinion. What gave rise to this? Perhaps the performance of the minister. Our faction is of the opinion at the moment that the main issue is the banking problem and replacing members of the government and other officials is perhaps an issue for later discussions. [passage omitted] [end recording]

The Minister of Interior, Romasis Vaitiekunas, himself told the journalists when asked whether he would resign or not:

[Begin Vaitiekunas recording] I am not prepared to coordinate this issue with the journalists, I will do it with those who are in the position of dealing with it. [end recording]

Premier Accuses Opposition of Mounting Personal Campaign

LD1701222996 Moscow INTERFAX in English 1928 GMT 17 Jan 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Prime Minister Adolfas Slezevicius has accused opposition members of unleashing a long range psychological attack against himself.

Speaking on national radio on Wednesday, the prime minister said any resignation would be an easy option for himself. He spoke of not wanting to resign just to oblige his opponents saying it was important to focus all his effort on resolving the banking problem. Slezevicius said his opponents were against the idea of a stable government and continuity of social and economic reforms.

The prime minister disclaimed government responsibility for supervising commercial banks warning against branding the problem of several banks as being banking crisis. He said there were no grounds to speak in terms of a possible devaluation of the litas calling on the public not to withdraw bank deposits.

The government press office on Tuesday issued a prime minister's statement reaffirming his resolve not to default on his commitments to the state, parliament and public at large. The statement accuses unspecified forces seeking the resignation of the prime minister and a political crisis in the country of using all means from lies, blackmail and well-planned moral pressure on Slezevicius and his family members to achieve their goal.

The prime minister explained his determination not to bow to any pressure by the credibility extended to him by the president, his own faction and most cabinet members as well as by the urgent need to resolve the country's economic and financial problems.

Slezevicius expressed regret about the mistake he made pledging to do his utmost to get the country's political life evolve along the road of democracy and the constitution. (Earlier the prime minister had repeatedly admitted to justified criticism after he withdrew his own account from the Lithuanian innovation bank a day before it was decided to suspend the bank and for having been paid a double interest on his account - IF).

He told radio listeners about being questioned twice by the prosecutors who try to assess his mistake as being a criminal offence.

The prosecutor general's office is expected to announce whether or not to bring criminal charges against Slezevicius later today.

IF Note: President Algirdas Brazauskas speaking in a radio interview on Monday was skeptical about demands for the Slezevicius-led government on the grounds that it was a cabinet of professionals rather than a one-party cabinet. He said only five members of the 20-man cabinet belonged to the ruling Democratic Party of Labor. The president has described opposition calls for an early election as the start of its election campaign saying he saw no reason for an early vote.

The next election is due in autumn and it will be up to a new parliament to form a new government as envisaged by the country's basic law.

On Tuesday the president recalled Lithuanian Ambassador to Great Britain and Ireland Raimundas Rajeckas which many say was in response of an attack the ambassador launched against the prime minister.

After the row broke out, Rajeckas in an interview with the Respublika newspaper accused the prime minister of dishonesty and a lack of honor and dignity and the president of not having enough determination or courage to sack the former. The ambassador maintained he would be the first witness at an impending trial and that he was ashamed to represent his country abroad.

59-year old Rajeckas, himself a scholar, led the president's election campaign in 1993 and was Brazauskas' senior advisor before being assigned to a diplomatic job.

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